

Minutes for the regular National Finance Committee meeting June 11, 2019.

Meeting convened at 8:34 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Sharon Adams, Nick Arena, Fred Blair, Chris Cory (Chair), Bill Crosier, Lynden Foley, R. Paul Martin (Secretary), Mansoor Sabbagh, James Sagurton, Nancy Sorden, Tamra Swiderski (interim CFO), also attending was Pacifica Foundation Executive Director Maxie C. Jackson III.

Agenda:

1. Convene meeting 8:30 PM (ET)
2. Roll call
3. Approve Agenda
4. Minutes approval (5 minutes)
5. Report from the Executive Director (10 minutes)
 - A. Q&A (10 minutes)
6. Report from the CFO (15 minutes)
 - A. Q&A (up to 30 minutes)
7. Preliminary/Continued Consideration (Status Report) of draft FY19 budgets
 - A. KPFA (10 minutes)
8. Discussion of FY20 timeline (15 minutes)
9. New Business
10. Adjourn no later than 10:30 PM (ET)

Motion: (Mansoor Sabbagh) “To approve the agenda” (Passed without objection)

Minutes approval 8:39 PM (ET)

Motion: (Fred Blair) “To approve the minutes of the May 28, 2019 meeting.” (Passed without objection)

Report from the Executive Director 8:40 PM (ET)

The Executive Director told the committee that he was working with the interim CFO and George Walter from the National Educational Telecommunications Association (NETA) on establishing a financial dashboard which he said can be made available to each of the five stations as well as the Pacifica Radio Archive (PRA) and maybe to the affiliates. He said that the dashboard will present monthly, quarterly and annual dashboards. Working with NETA to determine what info should be on the dashboards. The Executive Director said that he would tell the General Managers and others about this on Wednesday. He said that there would also be a programming dashboard for Program Directors. The Executive Director asked for suggestions as

to what information should be on the dashboards, and said people should E-mail himself or the interim CFO. He said that the people who provided the loan have asked for an audit confirmation letter. He said that the letter they'd sent requesting this had had the dollar amount wrong, he got them to correct it. He said that this request from the lender is with regard to the lender's need to be audited. He said that Pacifica's reply letter to the lender should go out this week.

Q&A 8:44 PM (ET)

The Committee discussed the Executive Director's report. During the discussion it came out that the NFC would still need the traditional financial documents, beyond the high level dashboards that the LSB members could read. The committee discussed the need for the NFC to see the details of the loan. The Executive Director said that there are clauses in the loan documents that require a lot of anonymity. He said he would bring the NFC's request for more information about the loan to the PNB Chair and the rest of the PNB.

Report from the CFO 9:05 PM (ET)

The interim CFO gave the committee a brief update. She said that the FY17 audit was almost complete, they just need to do a few final footnotes. She said that they have a deadline of June 30, 2019, to fully complete and approve it. She said that the work on the FY18 audit is in full swing. She said that George Walter of NETA is working with the Business Managers to get what he needs. She said that they're moving up the timelines for these audits and that the FY19 audit should be completed three or four months after the close of the fiscal year. She said that she didn't have any new financial information at this meeting. She said that NETA is having technical difficulties with the *Great Plains* software, they have everything entered into the system through February 2019, for the National Office, WBAI and WPFW while KPFT, KPFK and KPFA that have been doing it for themselves. She said that they're having problems with some particular entries getting posting and with accessing the financial report writer. They've had to seek external IT support. She said that they are looking forward to a June 30, date when they can get some financials for the NFC. She said they can then definitely get a P&L and maybe a balance sheet. She said that they were hoping that, if they can get later months into the system before that date, then maybe they can get financial reports for March or April in the P&L and balance sheet. She said that eventually when she attends these meetings, probably on the second NFC meeting of month, they can have the prior month's financials for the committee.

Q&A 9:08 PM (ET)

The Committee discussed the report. In answer to a question the interim CFO said that they'd do their best to get a cash flow projection in by the end of the month, but the on-air fund raisers may skew things. The need to have information regarding the loan for the budgets was discussed. In answer to a question the interim CFO said that accounting for the National Office had not been done for all of this fiscal year and into FY18, beyond just recording checks, and that every other transaction for the fiscal year needs to be recorded. She said they have them entered now through March. She said that WPFW and WBAI had their accounting done by the KPFK Business Manager and they had to catch up on one item for WBAI. She said that she's been working on

the Pacifica account for about three months. She said that with catching up and working on the audit they're not up to speed with *Great Plains* yet. In answer to a question regarding closing the interim CFO said that the way that *Great Plains* works is you have to close out one year before moving to the next one. Right now the last closed period is September 30, 2016. They're still working on the FY17 audit, she thinks that another NETA worker has the final balances on that, and once he sees that it all agrees with the auditor's trial balances he'll push the button and start FY18, then we'll have balances for FY18 and provisional balances for FY19. The way that WPFW's and WBAI's finances have been handled at another station was discussed. The interim CFO said that a little more training is necessary for Pacifica workers. The Executive Director said that some of how the finances were handled at WPFW and WBAI was not standard, both stations were handled by someone on the west coast, and that they required a lot of cleanup. He said that NETA almost had to re-do entire books for multiple years. He said the other factor was not only turnover at the National Office but that things were not being done properly there as well. He said that those three enterprises are subjected to those issues. He said that NETA will work with the Business Managers to employ best practices around financial management accounting, so that moving forward Pacifica will be much more industry standard, he said that really only one station's financial work was being done at an industry standard level. The interim CFO said that the east coast stations are being brought into NETA's system and their financials will be integrated into the *Great Plains* software.

The interim CFO said that they were looking into information that was not put into the accounting software regarding sale of a building and there was some expense related to WBAI with regard to 4 Times Square that wasn't reported.

Preliminary/Continued Consideration (Status Report) of draft FY19 budgets 9:30 PM (ET)

KPFT - the KPFT Director said that they were waiting to meet with the station's Business Manager. Their major problem was that their on-air fund raiser revenue was much lower than had been budgeted.

WBAI - The WBAI Treasurer said that the station's General Manager is back from vacation but that as of last Thursday's local Finance Committee meeting the General Manager did not have a revised draft FY19 budget.

KPFA - the KPFA Treasurer said that they didn't have anything new to report about the draft FY19 budget but she said that their recent on-air fund raiser had a goal of \$550,000 and they got a tally of just over \$450,000, with about \$311,000 netted from credit cards; they have no information on checks yet.

KPDK - The KPDK Treasurer said that although they had approved their draft FY19 budget last year that they were having the same problem as KPFT with their on-air fund raiser revenue not meeting the budgeted projections, so they need to make adjustments to their budget.

WPFW - The WPFW Treasurer said that their draft FY19 budget was approved earlier in the year and they have been managing the best they can with only bank statements. He said that they have no Business Manager to prepare true financials. He said they are close to meeting their budget

projections but there are still challenges for cash flow.

The committee discussed the idea of the need for doing FY19 budgets this late in the fiscal year. The Executive Director said that with audits completed, best practices, etc. he would be surprised if there would be difficulty in budgeting for FY20. He said that once NETA finishes the FY18 audit they expect to do the FY19 audit in a timely manner. The need to impress station Managements with the need to do better than break even due to the interest payments on the loan coming up was discussed. The prospect of the many candidates for President soaking up donations that might otherwise go to Pacifica stations was discussed.

Discussion of FY20 timeline 10:08 PM (ET)

The committee discussed the updated timeline that the Secretary had sent out. It was noted that accurate financial information is needed to go through the various phases of the timeline. The committee may take this issue up at the next meeting.

New Business 10:15 PM (ET)

The Executive Director brought up the use of the sales tool *Sales Force* for managing on-air fund raisers. He said that that software and system has been incorporated by non-commercial media across the country, and that 30% of all on-air fund raising goes through the *Sales Force* tool. He described it as a turnkey system that utilizes the membership database to raise revenue and that a third party vendor called CDP would handle it all. There was a further discussion and the Executive Director said that he would forward information to the committee about it for consideration at the next meeting.

Motion: (R. Paul Martin) “To adjourn.” (Passed without objection)

Adjourned 10:27 PM (ET)

Submitted by R. Paul Martin, Secretary.