

Minutes for the regular National Finance Committee meeting July 8, 2008.

Meeting convened at 8:38 PM (ET) a quorum being present, the Chair being present.

Attending:

Grace Aaron
Brian Edwards-Tiekert
Sherry Gendelman
Lonnie Hicks
Alberto Luera
Mike Martin
R. Paul Martin
Summer Reece
Jamie Ross
Nicole Sawaya

Agenda

2009 Budget

- a. Timeline 2009 Budget – Draft budgets by 7/15/08, Proposed policy
- b. Off air fundraising strategic plans – LSB progress
- c. Underwriting – potential new funding option – subcommittee progress – Alberto Luera

Financial Accountability Issues

- a. NFC Historical Audit – S. Gendleman
- b. CFO report on identification of accounts

Adjournment – no later than 1030 p.m. eastern

The Chair asked R. Paul Martin to be Secretary *pro tem* for this meeting. R. Paul Martin agreed.

Point of Order: (R. Paul Martin) The agenda has not been approved.

Chair rules that the agenda has been approved.

It was agreed without objection that the committee will meet again in executive session on Sunday, July 13, 2008, at 8:00 PM (ET) in order to have information before the PNB teleconference meeting on Monday, July 14.

Point of Order - Brian Edwards-Tiekert. The committee doesn't need rundown of stations now, that should be done on Sunday.

2009 Budget

Motion: (Brian Edwards-Tiekert) "All budgets must be drafted in accordance with the following guidelines:

- 1.No unit may budget more listener support than it forecasts earning in the current fiscal year.
- 2.All units must submit an accounting of how many days they've spent on-air fundraising during each fund drive of the current fiscal year, and how many days it expects to spend fundraising in the remainder of it.
- 3.If a unit will spend more than 60 days fundraising on-air during the current fiscal year, it must budget its listener support at least 5% lower than its forecast for the current fiscal year.
- 4.Budgeted increases in fundraising on any other line (e.g. grants or major donors) must be supported by a written explanation of why the unit believes that increase to be a reasonable budgeting assumption.
- 5.All units must submit a cash-flow forecast from the present through the end of the budget year.
- 6.If a unit's cash-flow forecast shows a cash balance of less than one month's operating expenses at the beginning of the fiscal year, it must budget an annual net surplus of no less than one month's operating expenses."

Amendment: (Mike Martin) "Add 'No unit may modify drive goals or fundraising days after the adoption of the budget without National Office approval,' to end of #2." (Passed without objection)

Amendment: (Mike Martin) "Add '7. A contingency line item shall be offered by each unit for legal expense.'" (passed without objection)

Motion as amended: "All budgets must be drafted in accordance with the following guidelines:

1. No unit may budget more listener support than it forecasts earning in the current fiscal year.
2. All units must submit an accounting of how many days they've spent on-air fundraising during each fund drive of the current fiscal year, and how many days it expects to spend fundraising in the remainder of it. No unit may modify drive goals or fundraising days after the adoption of the budget without National Office approval.
3. If a unit will spend more than 60 days fundraising on-air during the current fiscal year, it must budget its listener support at least 5% lower than its forecast for the current fiscal year.
4. Budgeted increases in fundraising on any other line (e.g. grants or major donors) must be

supported by a written explanation of why the unit believes that increase to be a reasonable budgeting assumption.

5. All units must submit a cash-flow forecast from the present through the end of the budget year.

6. If a unit's cash-flow forecast shows a cash balance of less than one month's operating expenses at the beginning of the fiscal year, it must budget an annual net surplus of no less than one month's operating expenses.

7. A contingency line item shall be offered by each unit for legal expense.” (Passed without objection)

Motion: (Brian Edwards-Tiekert) “All units must submit a draft budget for NFC review by July 15th, 2008. Final Budgets are due July 30th, 2008.” (Passed without objection)

Off Air Fundraising Strategic Plans 10:03 PM (ET)

The Chair stressed that he needed these reports from all of the LSBs. Jamie Ross said he wanted to report on WBAI’s progress, the Chair asked him to give the report in writing.

Underwriting

Alberto Luera reported, asked Jamie Ross to send him his home phone number via E-mail. Mr. Ross did so immediately.

NFC Historical Audit 10:05 PM (ET)

Sherry Gendelman reported that she’d spoken to accounting firms that did audits for non-profits. They want more information. All of the firms thought that a forensic audit was not needed, so two other types of audit are under consideration. She has not received price yet. She hopes to have a proposal by the next NFC meeting with estimated costs and time to complete audit.

There was a discussion of the report.

CFO Report on Identification of Accounts

CFO Lonnie Hicks reported that he had sent the Chair a chart on this. The Chair said he didn’t think that he could send it out, but that on advice of the CFO he would do so the next day.

There was a discussion of whether or not to go into an executive session at this meeting to discuss this item. It was decided not to.

There was a question about past Recovery Plans for WBAI. There were questions about reports on these Recovery Plans for the past 2 years. Lonnie Hicks said that there had been a written report to the PNB in January, but that there were objections then to how Unions were being dealt with and that the new General Manager of WBAI had requested time to review the situation. He

said that consultations with the Unions had happened and that there were plans to move forward as of August 1, 2008.

Grace Aaron said that the Chair had charged Jamie Ross and she with coming up with a line item way to generate money for an in-person meeting of the Pacifica National Board. She said that they had done so as of a week ago and she wanted to give a report.

Point of Order - Lonnie Hicks - that report is not an agenda item at this point.

Motion: (Lonnie Hicks) "To adjourn" (passed without objection)

Adjourned 10:25 PM (ET)

Submitted by R. Paul Martin, Secretary *pro tem*.