

Minutes for the regular National Finance Committee meeting January 19, 2016.

Meeting convened at 8:35 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Sam Agarwal (CFO), Lydia Brazon, Adriana Casenave, Bill Crosier, Brian Edwards-Tiekert (Chair), R. Paul Martin (Secretary), Tony Norman, Michael Novick, Cerene Roberts, Nancy Sorden, Barbara Whipperman.

Agenda:

1. Minutes Approval (5 minutes)
2. Budget Review and Approval
 - A. WPFW Budget (15 minutes)
 - B. WBAI Budget (15 minutes)
 - C. PRA Budget (15 minutes)
3. Adjourn 10:00 PM (ET)

The Chair introduced the new Pacifica National Office CFO Sam Agarwal to the committee.

Motion: (R. Paul Martin) “That the new CFO be added to the mailing list and that the National Office Financial Planning and Analysis Manager be removed from the mailing list.” (Passed without objection)

CFO Report 8:40 PM (ET)

The CFO reported that the FY14 audit is under way. The auditors have assembled their whole team, and the CFO has given them a lot of information. He said that the auditors are asking the right questions. The CFO pointed out that the letter to Management that the auditors gave for the FY13 audit, shows deficiencies in accounting and process. The CFO said that the audits for FY14 and FY15 have to be taken care of.

The CFO said that he’s drawing up a very ambitious timeline, but the FY15 audit is delayed. He said that the FY14 audit should take at least a couple of months to finalize, and he expects to get the FY14 audit done by March. He wants to start the FY15 audit then to get it done by the end of June. He said that rapid actions are needed. He noted that WBAI and WPFW both don’t have Business Managers, and they are lagging behind in their accounting. He said that it was inefficient doing those station’s accounting at Houston. His plan of action is to bring those stations’ books to the National Office, get them cleaned and prepare them for the audit. He said that he’s finding that it will be hard for the stations to hire someone who can get the audit done in time. He noted that if Pacifica can’t get the FY15 audit done by end of June we lose CPB grant

money again. A second problem is that Pacifica has to file its IRS 990 forms. He said that filing the IRS 990 forms is getting significantly delayed. He said that there is a 1½ month extension after the due date, but we'll go over that extension if the FY15 audit is not done by June 30, 2016. He's of the opinion that the National Office knows how to get it all into the Great Plains software. He said that he's not interested in keeping the books at the National Office he just wants to make sure that the proper processes and procedures are in place before hiring Business Managers. The CFO also said that MEMSYS reconciliation is troubling because it opens the door to manipulation or outright fraud.

The CFO said that he is not in favor of using the Quickbooks software, he wants to discontinue the use of Quickbooks. He said that once the National Office has a good handle on WBAI's accounting process they can find someone skilled in the Great Plains software and then Pacifica can have only one basis for accounting.

The CFO also said that Pacifica relies on Listener Support too much, which he said is not efficient for the long term. He said he wants to make some proposals in an executive session.

The committee discussed the report.

Motion: (Bill Crosier) "To extend the time for this agenda item by 5 minutes." (Passed without objection) 9:00 PM (ET)

The committee continued to discuss the CFO's report.

Motion: (Brian Edwards-Tiekert) "To adopt the agenda." (Passed without objection as amended)

Amendment: (Lydia Brazon) "To set the adjournment time for 10:00 PM (ET)." (Passed 6 for, 2 against, 2 abstentions)

Amendment: (Michael Novick) "To strike item 2C 'KPFK Budget.'" (Passed without objection)

Minutes Approval 9:15 PM (ET)

Motion: (R. Paul Martin) "To approve the minutes of the public session NFC meeting of November 4, 2015." (Passed without objection as amended)

The committee discussed the motion.

Amendment: (Adriana Casenave) "In the 'WBAI Budget' part of the minutes to strike all after, 'tomorrow night.'" (passed 5 for, 2 against, 4 abstentions)

The committee discussed the amendment.

Motion: (R. Paul Martin) "To approve the minutes of the November 18, 2015, meeting." (Passed without objection)

Motion: (R. Paul Martin) “To approve the minutes of the public session NFC meeting of November 24, 2015, meeting.” (Passed as amended without objection)

The committee discussed the motion.

Motion: (Cerene Roberts) “To postpone consideration of the November 24, 2015, minutes to the next meeting.” (Fails 3 for, 4 against, 3 abstentions)

The committee discussed the motion.

Amendment: (Roberts) “To strike, ‘If the on-air fund raiser revenue continues as it did in the Fall on-air fund raiser the station’s deficit could be much higher than budgeted’.” (Passed 4 for, 2 against, 4 abstentions)

The committee discussed the amendment.

Motion: (R. Paul Martin) “To approve the minutes of the November 30, 2015, meeting.” (Passed without objection)

The committee discussed the motion.

Motion: (R. Paul Martin) “To approve the minutes of the December 14, 2015, meeting.” (Passed without objection as amended)

The committee discussed the motion.

Amendment: (Michael Novick) “To amend the minutes of Dec. 14 as follows: to change the expression ‘quiet pitch’ to ‘quiet drive,’ and to change the sentence ‘The KPFK Treasurer said that KPFK did quite well with the “quiet pitch” days last year,’ to read ‘The KPFK Treasurer said that KPFK did well with the “quiet drive” days last December, and that the “quiet drive” days were meant to incorporate off-air fundraising by the Local Station Board, which voted to create a fundraising committee to help meet the station's obligations.’”

The committee discussed the amendment.

Motion: (Brian Edwards-Tiekert) “To divide.” (Divided on demand)

Amendment: (Michael Novick) “To amend the minutes of Dec. 14 as follows: to change the expression ‘quiet pitch’ to ‘quiet drive.’” (Passed without objection)

Amendment: (Michael Novick) “To change the sentence ‘The KPFK Treasurer said that KPFK did quite well with the “quiet pitch” days last year’ to read ‘The KPFK Treasurer said that KPFK did well with the “quiet drive” days last December, and that the “quiet drive” days were meant to incorporate off-air fundraising by the Local Station Board, which voted to create a fundraising committee to help meet the station’s obligations.’” (Passed without objection)

The Chair asked if all of the 2015, meeting minutes had now been passed. The secretary said that the minutes of the May 12, 2015, meeting still needed to be done, and that they should be done by someone who had been at that meeting, since the Secretary had been in the hospital and could not attend the meeting on that date. Michael Novick volunteered to do the minutes for the May 12, 2015, meeting.

Budget Review and Approval 9:56 PM (ET)

Motion: (Brian) “To extend the time for the meeting by 10 minutes.” (Passed without objection) 9:58 PM (ET)

WPFW

The WPFW Treasurer reported that they had made all of the requested changes to the station’s draft FY16 budget proposal except for the ones that needed the help of the National Office Financial Planning and Analysis Manager, from whom they have not yet heard. She said that she would send the revised draft FY16 budget to the NFC for review.

WBAI

The WBAI Treasurer reported that the WBAI General Manager had not offered a revised draft FY16 budget since the last one presented to the NFC. The WBAI Treasurer reported that the daily tally for the December on-air fund raiser had run for 14 days and the final tally according to the daily reports issued by WBAI Management was \$125,195 for a daily average tally of \$8,943, which is significantly less than the daily tally of \$12,429 in the WBAI draft FY16 budget proposal. The WBAI Director said that the WBAI General Manager had said that the December on-air fund raiser’s final tally had been \$132,800.

The Chair noted that the NFC had already passed the Pacifica Radio Archives FY16 budget.

Motion: (Adriana Casenave) “To meet on February 9, 2016, at 8:30 PM (ET).” (Passed without objection)

The committee discussed the motion.

The Chair said that he would speak to the CFO and the WBAI General Manager about the WBAI draft FY16 budget.

Adjourned 10:09 PM (ET)

Submitted by R. Paul Martin, Secretary.