

Minutes for the regular National Finance Committee meeting April 25, 2023.

Meeting convened at 8:49 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Sharon Adams, Teresa Allen, Kamau Harris, Julie Hewitt, R. Paul Martin (Secretary), James McFadden, James Sagurton (Chair) also attending were Pacifica Executive Director Stephanie D. Wells and Director Jim Dingeman.

Agenda:

1. Convene meeting
2. Roll call
3. Adopt agenda
4. Minutes (5 minutes)
5. Nominations for Committee Officers, postponed until tonight (5 minutes)
6. Report from the Executive Director (30 minutes)
7. Review of Latest Financials (15 minutes)
8. Select Budget time lines (30 minutes)
9. Adjourn no later than 10:15 PM (ET)

Motion: (James Sagurton) “To adopt the agenda.” (Passed without objection)

Minutes 8:52 PM (ET)

Motion: (rpm) “To approve the minutes of the February 28, and March 14, 2023, NFC meetings.” (Passed without objection)

Nominations for Committee Officers, postponed until tonight 8:53 PM (ET)

The Chair noted that this item had been postponed because there was still no recognized Treasurer for KPFK and the KPFK Director on the committee had told him that she didn’t know when there would be one. He said that the KPFK Director had agreed that it was time to hold committee elections.

Secretary 8:54 PM (ET)

Julie Hewitt nominated R. Paul Martin for committee Secretary.

R. Paul Martin accepted the nomination.

There were no other nominations for Secretary.

R. Paul Martin was declared elected Secretary by acclamation and there was no objection.

Chair 8:58 PM (ET)

Julie Hewitt nominated James Sagurton for Chair.

James Sagurton accepted the nomination.

There were no other nominations for Chair.

James Sagurton was declared elected Chair by acclamation and there was no objection.

Report from the Executive Director 8:59 PM (ET)

The Executive Director told the committee that she and the National Business Manager had been going over the “Pacifica Foundation Consolidated Monthly Income Statement For the Five Months Ending Tuesday, February 28, 2023” with the General Managers, Business Managers and Directors. She said that there were still some questions about the coding of the revenue for some stations where almost all revenue is listed under Listener Support. She said that KPFK had to make some changes in their figures, but KPFT, WBAI, WPFW and the Pacifica Radio Archives didn’t have any major changes. She said that she and the National Business Manager were going to meet with KPFA and the Pacifica Affiliates Network to review their finances. She said that she’d been talking with stations about budgeting for this year, and they’ve created a more simplified form for people at the stations to fill out so that people who don’t work with spreadsheets on a regular basis can just fill out the form and then the Executive Director and National Business Manager can plug that information into a spreadsheet. She said that all General Managers and Directors want to have the FY24 budgets done before the start of FY24 and that they are all eager to review those budgets on a regular basis so that cash flow can be monitored. She said that all divisions had made payroll and that all of the current health insurance premiums had been paid. She said that the National Office did have to cover some health insurance payments for some divisions and that those will need to be paid back when those divisions are able to do so. She told the committee about the work that has to be done in order to apply for CPB membership a lot of which relates to the financials which we already have from the audits and these can just be plugged in. She said that there’s a lot of busy work associated with it including things like listing each employee’s details. She said that the written part should be completed very soon. She said that Pacifica was on track to be able to submit the application on time.

In answer to a question the Executive Director said that putting formulas in the Income Statements would require another spreadsheet because while the *Great Plains* software uses formulas the Income Statement spreadsheets are output which doesn’t need to show formulas.

The committee discussed Staff evaluations and General Managers’ self-evaluations.

The Executive Director said that if Pacifica keeps approving deficit budgets we can’t move forward. She said that part of station Management’s job is creating a realistic budget and sticking to it. She said that if revenue goals are not made that the budgets are just on paper and are not taken seriously. She stressed the importance of putting the information on revenue and

expenses in each station's accounting system. She said that if that's not done or is delayed the state of the station's finances can't be determined.

In answer to a question the Executive Director said people are learning to trust that she and the National Business Manager are here to help them get their financials in line. She said that, as an example, there are times when WBAI has bills entered as expenses but they're not paid yet and that gives a false impression of the actual financial state of the station; it makes it look as if the station has more money than it does.

There was a discussion of the Executive Director and National Business Manager having view-only access to all bank accounts in Pacifica. The Executive Director said that they still don't have access to all accounts and that for those accounts for which they do not have access they have to call up Business Managers and ask them for a balance. She said that she was trying to get everyone to do things one way and that people have to be convinced that this is the best way to manage funds.

The Executive Director said that there were quite a few legal bills floating around and in the previous couple of weeks Pacifica had gotten an exorbitant amount of bills from law firms, including something with regard to a case that's not even familiar to her. She said she needed more information and would ask Pacifica's General Counsel about the details.

The Executive Director said that an *Allegiance* bill for WBAI had been paid by donors, and now she's asking if they will pay other bills.

The Executive Director said that there were a lot of new vendors saying that Pacifica owes them money. She said that she had 100% faith that it will all get sorted out, but it's a minor nuisance now for the National Business Manager and herself.

The Executive Director said that she'd asked all General Managers to get their membership lists updated from March 2022, to March 2023.

Review of Latest Financials 9:46 PM (ET)

The committee discussed details of the "Pacifica Foundation Consolidated Monthly Income Statement For the Five Months Ending Tuesday, February 28, 2023." In the course of discussion it was agreed that the document could be released to the public.

The committee discussed adjusting Central Services fees that were listed in the consolidated financials. It was noted that KPFK's Central Services were overly large and would need to be adjusted.

The committee discussed on what basis the finances are done. The Executive Director said that Pacifica uses accrual accounting. There was a discussion of this topic and of the fact that some employees want to do cash accounting. There was a discussion of Pacifica being able to survive an audit with the way accounting is done at some units. The Executive Director told the committee that last year the auditors had refused to be on the calls because people were questioning the ability of the auditors to do accounting. The auditors said they wouldn't have employees on those calls ever again. The Executive Director said that just getting money to pay the auditors is a problem.

Motion: (Julie Hewitt) "To extend the time for this item by 15 minutes." (Passed without objection) 10:20 PM (ET)

There was a discussion of the need to pay the auditors and make the units financially sound so we can continue to exist.

Select Budget time lines 10:22 PM (ET)

The committee discussed in detail the draft FY24 timeline that the Secretary had previously sent out. Suggestions we made for changes in the draft timeline. It was agreed that the Secretary would address these issues and bring a modified timeline to the next meeting.

Adjourned 10:59 PM (ET)

Submitted by R. Paul Martin, Secretary.