

Minutes for the regular National Finance Committee meeting September 12, 2023.

Meeting convened at 8:37 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Sharon Adams, Teresa Allen, Kamau Harris, Julie Hewitt, Kim Kaufman, R. Paul Martin (Secretary), James McFadden, Sean Kelly McPherson, James Sagurton (Chair), Elizabeth von Gunten also attending were Pacifica Executive Director Stephanie D. Wells and National Business Manager Markisha Venzant.

Agenda:

1. Convene Meeting
 2. Roll Call
 3. Adopt Agenda
 4. Minutes (5 minutes)
 5. Report from the Executive Director (30 minutes)
 6. Review Draft Consolidated Financials for the period ending June 30 (60 minutes)
 7. Adjourn no later than 10:15 PM (ET)
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Adopt Agenda 8:39 PM (ET)

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

Minutes 8:40 PM (ET)

Motion: (R. Paul Martin) “To approve the minutes of the August 22, 2023, NFC meeting.” (Passed without objection)

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

The Executive Director told the committee that the National Business Manager was at this meeting. The Executive Director said that she wanted to discuss with the NFC moving forward with consolidating all of the Pacifica bank accounts into one single bank; she said that some divisions were already in that bank. She said that all divisions will still have their own accounts. She said that we’d be able to reconcile accounts more easily that way and it would save us money with regard to monthly fees, transaction fees and wiring fees, etc. She said that she didn’t know if she could just do it, and that many stations were ready, but she asked if the NFC needed to approve this consolidation.

The Committee discussed the proposition. It had been the subject of a series of discussions on the PNB. The Chair suggested that a motion be made when this agenda item was done.

The Executive Director said that she’d sent the Aged Payables of concern to the Chair and

Secretary earlier that day. The Secretary confirmed that he had forwarded them to the NFC. She said she didn't want to go over them in open session because that would reveal the names of the vendors. She said that Pacifica had about \$2 million in Aged Payables and that the National Business Manager and she keep an Aged Payables spreadsheet on Aged Payables of concern on a regular basis. She said that the total Aged Payables of concern were about \$1.1 million. The Chair suggested that the committee go over that the next time. The Executive Director said that the audit was on the list of Aged Payables of concern.

In answer to a question the Executive Director said that payroll had not gone up at all in the last three weeks and that as to it going down she said that some divisions were looking at voluntary layoffs but that she didn't see a significant decrease happening until severance packages, some of which are for 12 to 24 weeks of pay, are paid out.

In answer to a question about a \$180,000 donation that was received the Executive Director said that about \$60,000 of it had been received but not applied to any of the Aged Payables, because she was waiting for things to clear. She said that there were pressing Aged Payables and the amount of the donation wasn't enough pay for the audit in its entirety. She said we could use it to pay for half of the audit but the auditors would not release it until the balance was paid. She said she'd feel more comfortable getting the audit started when Pacifica had the \$75,800 to complete it. She said we have other pressing issues like FCC legal bills, the NES installment and also workman's compensation insurance and some remaining DC health payments that need to be made. She said that she wanted to make payments so that Pacifica doesn't get more than four months behind and other people have been asking for payment as well.

In answer to a question the Executive Director said that there had been a reduction in contractors in the last three weeks and they were in the process of working with the contractors to have a reduction. She said that four or five contractors had been reduced and would want to remove them completely. She said that they have to see if Paid Staff would be able to take over the job and make sure that it doesn't cost more. The National Business Manager said that there were still outstanding bills to contractors that had to be paid and a reduction would not be realized until after they're paid.

There was a discussion with regard to closed meetings.

In answer to a question about what's owed to Pacific's General Counsel the Executive Director said that Pacifica hadn't received an invoice from the General Counsel. A request was made that the PNB ask for one.

In answer to a question the Executive Director said that the donation referenced earlier had been a disbursement from a bequest from years ago to WBAI for \$189,000. She said that as soon as parts of it had cleared WBAI had sent \$60,000 to the National Office to pay Central Services fees. She said that another portion had been used as a partial payment to a matching fund received from a Major Donor to pay for the WBAI past due studio rent. She said that it was being used to pay FCC lawyers and for other things including the third installment for the NES and she is in talks with WBAI to determine the best use of those funds.

In answer to a question the Executive Director said that the Aged Payables are at about \$2.1 million, and that with regard to additional bequests for WBAI and KPFK they are still in court and that the National Office is not looking at any movement on those till early to mid 2024.

In answer to a question the Executive Director said that the divisions' draft FY24 budgets would be available to the NFC at the next NFC meeting.

The committee discussed the large artwork that Pacifica has in storage and the Executive Director said that we do not have a solution for it, but it's still in storage in northern California and that storage is something we already have so the cost of storing those art works is not above and beyond what's already being paid for the storage. She said that moving the art works would be very costly.

In answer to a question about General Managers and Business Managers knowing the details of the new Central Services formula the Executive Director said that they'll know what the percentages are and will implement them in the FY24 budgets. She said that the new figures for Central Services fees could be put into the consolidated financials for August and September.

Review Draft Consolidated Financials for the period ending June 30 9:11 PM (ET)

The committee discussed the "PACIFICA FOUNDATION Consolidated Monthly Income Statement For the Nine Months Ending Friday, June 30, 2023" which had been sent to the committee the previous afternoon. The Executive Director suggested that the committee go back and forth and answer questions. The National Business Manager said she hoped it would just be a question session.

The Chair asked the Executive Director to walk the committee through a general picture. She said that Pacifica had a YTD loss of \$1,365,062 as of the end of June. She then read off the Total Revenue, Total Expenses and Net Income (Net Loss) of every Pacifica division. Four of the five Pacifica stations were in the red as of June 30, only KPFT was in the black. There was a discussion of some labeled line items being used for something different from their labels. KPFK's Treasurer asked about the "misc" income of \$4,600 and if that was for the PSAs, the \$14k for office supplies, and that there were mailing costs but no premium shipping costs which CPB looks for. WBAI's Treasurer sent WBAI's General Manager's QuickBooks spreadsheet of \$8,650 of the office supplies which included purchases of Adobe, Apple, B&H and Intuit which is Quickbooks. He said WBAI's General Manager said he had about \$40,000 PSA income in his Quickbooks. The National Business Manager described the use of the *QuickBooks* software at WBAI as a bit of a headache.

In answer to a question the National Business Manager said that the National Office doesn't always get receipts for expenses and that General Managers are paying bills for which she doesn't get bills or receipts. The Executive Director said that this was the case and that she was putting into place a procedure on how to process checks. She said a procedure for issuing checks has not been in place for a long time and that it's been convenient for stations to use debit cards but that shouldn't be happening.

The committee discussed the ACD call center that WBAI uses for taking pledge calls. The Executive Director said that not all stations were using it. The \$6,500 monthly expenses for that service at WBAI was discussed. The Chair said that the WBAI General Manager was looking to set up a system where the phones would ring at WBAI's studios and if a call wasn't picked up after three rings then it would go to the call center. He said that this would reduce the bill substantially.

In answer to a question about validating business expenses the Executive Director said that this was where the National Office would be implementing receipts and justification of why those payments were being made. There was a discussion of General Managers not knowing what the General Ledger code was for some expenses. There was a discussion of the WBAI General Manager using *QuickBooks* to keep track of expenses and the Chair said that the WBAI General Manager used *QuickBooks* to keep himself aware of what's happening with the station's finances not as formal accounting software. The cost of Intuit for *Quickbooks* was discussed and a member said that he could get it for less.

There was a discussion of only KPFT paying Central Services fees, and the Executive Director said that WBAI and the Pacifica Affiliates Network were sending some of their recent bequests to the National Office to pay back Central Services fees. The committee talked again about the use of the *QuickBooks* software. The National Business Manager said that it doubles the work but she has access *QuickBooks* and she can go in and pull information out which is what she does for WBAI. She said she's not seeing invoices. She said that if something's really off she asks the General Manager about it. She said that she understood why he tries to keep up with things and that if we brought all of this into one office for all stations it'd take it off General Managers to try to keep books. She said that Pacifica is so small we shouldn't have stations doing this accounting. The Executive Director said that with implementation of the check request system the payments could come from the National Office and we could keep track of it all instead of having checks slipping through on local level.

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

Adjourned 10:07 PM (ET)

Submitted by R. Paul Martin, Secretary.