KFAI BOARD MEMBER ORIENTATION MANUAL 2021

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KFAI MISSION STATEMENT AND STATION HISTORY

KFAI MISSION STATEMENT

KFAI is a volunteer-based community radio station that exists to broadcast information, arts, and entertainment programming for a Twin Cities audience of diverse racial, social, and economic backgrounds. By providing a voice for people ignored or misrepresented by mainstream media, KFAI increases understanding between peoples and communities, while fostering the values of democracy and social justice within its listening area.

KFAI HISTORY (We should work this year to update this document)

For over 40 years, KFAI, Fresh Air Radio, has been the voice of the community. It has provided music, culture, news, and views of its members and the community as a whole. KFAI lives within the thousands of volunteers that have given their time and the listeners who tuned in. Here are some milestones and anecdotes from KFAI's history.

1978 – May 1 -- KFAI, Fresh Air Community Radio, became "airborne" after five years of legal entanglements and FCC challenges. Broadcasting 10 watts from studios in a vacant loft of the Walker Community Church where mice and bats to keep the programmers company was challenging but the all-volunteer staff of over 100 people managed to work through all the problems and bring community radio to the Twin Cities.

1981 – "Gao Hmong" airs weekly to bring a regular program of music, culture, poetry, and news to the Hmong community. This is part of Fresh Air Radio's ongoing effort to help break down obstacles facing immigrant communities.

1984 – With boom-box fanfare, a parade through downtown lead by a dancing radio, and a release of balloons, KFAI started transmitting an awesome 125 watts from the Foshay Tower in downtown Minneapolis. To quote local media reports, "After six years of listening in cars, huddling in basements, standing on chairs and pledging in phone booths...," Fresh Air listeners could finally hear their favorite radio station.

1985 – ((Stereo)) KFAI goes ((Stereo))

1986 – After 12 years in the Walker Church, KFAI moved to new studios and offices above the Butler Drug store at 1518 East Lake Street in Minneapolis. Reports indicate that air conditioning was everyone's favorite new amenity.

1987 – Fresh Air Radio airs a marathon seventeen hour reading of Swann's Way, the first volume of Proust's Remembrance of Things Past.

1988 -- In celebration of a decade of broadcasting, KFAI featured a day-long tribute to the sounds of 1978 called Stayin' Alive.

1989 – Little City in Space, first broadcast on KFAI in 1978, goes national with its postmodern, inter-galactic, quirky hour of radio theater. Billed as "Radio's Ed Sullivan Show of the Electronic Cottage," LCS wows them from New York City to Sitka, Alaska.

1991 – The third floor of the Bailey Building at 1808 Riverside became KFAI's new home. This 100-year old landmark building is the station's first custom designed home, with studios, a news room, record library, staff offices, a kitchen and meeting area.

1994 – "Voice of Ethiopia" first airs. In the coming years, KFAI would create more programming for a growing East African community from Ethiopia, Eritrea, Oromia, and Somalia.

1994 – KFAI goes east. A translator was installed in West Saint Paul to rebroadcast the station's signal from 90.3 FM to 106.7 FM. This meant that people in St. Paul and eastern suburbs could now hear their favorite station without driving across the river.

1998 – KFAI celebrates 20 years on the air.

2000 – The station begins remodeling the studios in the Bailey Building. KFAI increases the number of working studios, improving the station's production and training capabilities.

2001 – December 6 - Dedication of the newly renovated, remodeled and refurbished studios. KFAI embraces the 21st century.

2003 – Fresh Air Community Radio marks its Silver Anniversary. For 25 years, KFAI has served the diverse and changing communities of Minneapolis and St. Paul. The station continues to offer eclectic music, alternative news as well as essential community and foreign language programs. KFAI continues to be community radio created by the community.

2006 – KFAI approves a five-year strategic plan, guiding organizational objectives and tactics through 2010.

2007 – KFAI launches a new web site and e-newsletter, implements changes to program schedule, relocates transmitter from Foshay Building to IDS Center and plans for high definition (digital) broadcasting.

2008 – KFAI installs a new transmitter at the IDS Center and converts to a digital broadcasting signal as of November 2008 and expands from 30 watts to 900 watts resulting in expanded listener coverage.

2010 – KFAI implements a series of programming changes, moving from all music to news and information content from 6:00 a.m. – 10:00 a.m. and all music from 10:00 a.m. – 6:00 p.m. and 8:00 p.m. – 5:00 a.m. The KFAI News is also changed from a 30-minute evening news report to hourly updates from 9:00 a.m. to 5:00 p.m. and a one-hour news "magazine style" report every Friday from 9:00 a.m. – 10:00 p.m.

2011 – KFAI conducts a series of community meetings seeking input on strategic priorities for 2012-2014. The Board of Directors approves the strategic plan in December 2011 with the following priorities:

- Expand the connection of our mission to a larger audience;
- Catalyze new collaborations, programs, and organizations that grow new and existing audiences;
- Convene programmers, journalists, and artists to drive leadership and innovation within arts and media; and,
- Build a strong and growing organization

2021 KFAI BOARD OF DIRECTORS ROSTER

- Jules Annen 2021-22 (E)
- Misha Bartlett 2021 (B)
- T.J. Larson 2020-21 (E)
- Michael Milligan 2021-22 (E)
- David Orenstein 2021-22 (E) *Secretary*
- Jacque Pokorney 2021-22 (E) *President*
- Bianca Rhodes 2020-21 (E)
- Stacey Taylor 2020-21 (B) *Treasurer*
- Ahmed Wassie 2021 (B)

OPEN SEATS

2020-2021 term (odd-year election, 7 members seated -- 4 elected, 3 appointed)

1) Misha Bartlett (reappointed for 2021 term)

2) TJ Larson (elected for 2020-2021)

3) Bianca Rhodes (elected for 2020-2021)

4) OPEN -- Margaret Sullivan's term (elected for 2020-2021, resigned January 8, 2021)

5) Stacey H Taylor (appointed for 2020-2021)

6) OPEN -- Quinn Villagomez's term (reappointed for 2020-2021, resigned January 8, 2021)

7) Ahmed Wassie (reappointed for 2021 term)

2021-2022 term (even-year election, 6 members seated -- 4 elected, 2 appointed)

8) Jules Annen (elected for 2021-2022)

9) Michael Milligan (elected for 2021-2022)

10) David Orenstein (elected for 2021-22)

11) Jacque Pokorney (elected for 2021-2022)

12) OPEN

13) OPEN

(E) Elected, (B) Board-appointed

Need mailing address, phone, email for all members

Names, terms, and offices will be posted on the website--we may want to discuss kfai-specific emails for public contacts (let’s discuss what we currently have)

Addresses, phone, email will be for internal purposes only

KFAI SUPPORTING DOCUMENTS

ARTICLES OF INCORPORATION

Articles of Incorporation of Fresh Air, Inc.

The undersigned, for the purpose of forming a corporation pursuant to the provision of the Minnesota Nonprofit Corporation Act, Minnesota Statutes, Chapter 317A, adopt the following Articles of Incorporation:

ARTICLE I

The name of the corporation shall be Fresh Air, Inc.

ARTICLE II

The purpose of this corporation shall be to own or lease, and operate one or more non-profit educational radio or television stations and related equipment and to offer instruction in the operation of such radio or television stations to members of the general public. This corporation is organized and shall be operated exclusively to engage in, advance, promote, and administer education and charitable activities and projects and to aid, assist and contribute to the support of institutions which are organized and operated exclusively for education and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, as now or hereafter in effect, and in Section 290.05, of the Statutes of the State of Minnesota, as now or hereafter in effect. The corporation shall have only such powers as are consistent with the foregoing

purposes, including the power to acquire and receive funds and property of every kind and nature whatsoever, whether by purchase, conveyance, lease, gift, bequest or otherwise, and to own, hold, invest, expand, make gifts and contribution of, and to convey, transfer, and dispose of any funds, property and the income there from for the furtherance of the purposes of the corporation, and to lease, mortgage, encumber, invest and use the same, and such other powers which are consistent with the foregoing purposes and which are afforded to the corporation by the Minnesota Nonprofit Corporation Act, and any future laws amendatory thereof and supplementary thereto. Provided, further, that all such powers of the corporation shall be exercised only so that the corporation's operation shall be exclusively within the contemplation of both Section 501(c)(3) of the Internal Revenue Code, as now enacted or as hereafter amended, and of Section 290.05, of the Statutes of the State of Minnesota, as now enacted or as hereafter amended. No part of the property or the income of the corporation shall be used for the purpose of carrying on propaganda or otherwise attempting to influence legislation, except to secure or maintain funding and non-profit status. In no event shall the corporation participate in or intervene in (including publishing or distributing statements) any political campaign on behalf of any candidate for public office.

ARTICLE III

The corporation does not and will not afford pecuniary gain, incidentally or otherwise, to its members. No part of the property or income of the corporation or any other pecuniary gain or profit shall inure to any member of the corporation except that reasonable compensation may be paid for services rendered to or for the corporation. In the event of dissolution of the corporation all of its assets shall be distributed as follows: (a) The dissolution shall be conducted under Court supervision if required under the Statutes of the State of Minnesota or deemed desirable by the corporation in such manner as in the judgment of the Court will accomplish the general purposes for which the dissolved corporation was organized. (b) If a dissolution under Court supervision is not so required or deemed desirable, the assets of the corporation shall be distributed to or for the benefit of organizations, causes or projects, for and to which gifts are deductible from income of a donor under the Internal Revenue Code and under the Statutes of the State of Minnesota, to the extent then possible. If the Internal Revenue Code, as hereafter amended, does not provide for such a deduction, then the distribution shall be made to one or more state or local governments, for a public purpose. In the event of dissolution, none of the assets shall be transferred to or in any respect whatsoever inure to or for the benefit of any member of the corporation. The corporation shall not lend any of its assets to any officer, director or member of the corporation nor guarantee to any other person the payment of a loan by an officer, director or member of the corporation.

ARTICLE IV

The period of duration of the corporation shall be perpetual.

ARTICLE V

The registered office of the corporation in Minnesota shall be at 1808 Riverside Avenue, Minneapolis, Minnesota 55454.

ARTICLE VI

The names and address of the incorporators, each of whom is a natural person of full age, are:

Name -- Address

Robert E. Zimmermann -- 3534 12th Avenue South Minneapolis, Minnesota

Barbara Case -- 2414 Portland Avenue Minneapolis, Minnesota 55404

Randy Lee McLaughlin -- 2201 E. Franklin Avenue Minneapolis, Minnesota 55404

ARTICLE VII

The Board of Directors shall consist of at least three (3) persons. The first Board of Directors shall consist of the following seven persons, each of whom shall serve until the first annual meeting of the members.

Board members shall be selected as provided for in the bylaws.

Name -- Address

Robert E. Zimmermann -- 3534 12th Avenue South Minneapolis, Minnesota 55404

Barbara Case -- 2414 Portland Avenue Minneapolis, Minnesota 55404

Randy Lee McLaughlin -- 2201 E. Franklin Avenue Minneapolis, Minnesota 55404

Robert H. Hostetler -- 421 Cedar Avenue, #16 Minneapolis, Minnesota 55404

Craig Berdie -- 3010 E. 26th Street Minneapolis, Minnesota 55406

Stephen P. Erler -- 1620 Emerson Avenue South Minneapolis, Minnesota 55403

James A. Kutzner -- 458 Pierce Street N.E. Minneapolis, Minnesota 55413

ARTICLE VIII

The Board of Directors shall be authorized to establish one or more classes of

membership in the bylaws and the board shall be authorized to provide standards and

procedures for selecting and removing members of this corporation in the bylaws.

ARTICLE IX

An annual business meeting shall be held for all members.

ARTICLE X

The corporation shall have no capital stock.

ARTICLE XI

The members, directors and officers of this corporation shall not be personally liable for the obligations of the corporation. IN WITNESS WHEREOF, the undersigned incorporators have executed these Articles of Incorporation on the 24th day of July, 1973. In the presence of:

/s/ Linda Moss /s/ Robert Zimmermann

/s/ Nancy J. Wigchers /s/ Randy Lee McLaughlin

/s/ Barbara Case

STATE OF MINNESOTA

COUNTY OF HENNEPIN

On this 24th day of July, 1973, before me a Notary Public, personally appeared ROBERT E. ZIMMERMANN, BARBARA CASE AND RANDY LEE MCLAUGHLIN, to me known to be the persons named as incorporators and who executed the foregoing Articles of Incorporation, and they acknowledge that they executed the same as their free act and deed.

/sealed/ /s/ Reese C. Johnson

Approved 2004

KFAI BY-LAWS (see attached)

KFAI PERSONNEL HANDBOOK 2020 (see attached)

KFAI PROGRAMMER'S HANDBOOK (see attached)

KFAI VOLUNTEER HANDBOOK (see attached)

KFAI (Fresh Air, Inc.) WHISTLEBLOWER POLICY

Purpose: To encourage employees to disclose any malpractice or misconduct (whistleblowing) of which they become aware and to provide protection for employees who report allegations of such malpractice or misconduct.

Scope: The policy applies to all employees, including full-time, part-time and temporaries, and agents, contractors, suppliers and customers of Fresh Air, Inc.

Policy: The whistle blowing policy is designed to encourage employees to report alleged malpractices or misconduct, to insure that all allegations are thoroughly investigated and suitable action taken where necessary. Any whistle blowing employee is protected against adverse employment actions (discharge, demotion, suspension, harassment, or other forms of discrimination) for raising allegations of business misconduct. An employee is protected even if the allegations prove to be incorrect or unsubstantiated.

Employees who participate or assist in an investigation will also be protected. Every effort will be made to protect the anonymity of the whistleblower; however there may be situations where it cannot be guaranteed.

Below are some examples of business misconduct:

- A criminal offense;
- The use of deception to obtain an unjust or illegal financial advantage, either for the business unit or personally;
- Intentional misrepresentations directly or indirectly affecting financial statements;
- A failure to comply with any legal obligations;
- Danger to the health and safety of any individual;
- A serious breach of fundamental internal control;
- Serious non-professional or non-ethical behavior; and,
- The deliberate concealment of information tending to show any of the matters listed above.

PROCEDURES

Reporting: An employee who reasonably believes that inappropriate business conduct is occurring should raise the issue with his/her manager or if this is considered inappropriate the issue should be raised with his/her senior manager. If the employee is not comfortable in reporting to his/her manager or senior manager, the conduct or activity should be reported to the current Designated Executive listed. To preserve anonymity, the whistleblower is not restricted to reporting the issue to a Designated Executive of the KFAI, Fresh Air, Inc. The whistleblower may report the issue to any one of the current Board of Directors listed. It will be the responsibility of the Designated Executive who receives the allegation to initiate the inquiry.

All incidents of whistle blowing to a Designated Executive have to be reported to the Board Secretary who has to report the occurrence to the Board President and the board appointed ombudsman of Fresh Air, Inc.

Investigation: Once the claim of malpractice or misconduct is made, the manager, senior manager or Board member will respond to the whistleblower within 10 working days, setting out the intended investigation plan. An investigation may include internal reviews, reviews conducted by the external auditor(s) or lawyer(s) or some other external body.

Once the investigation is complete, the appropriate company representative will inform the whistleblower of the results of the investigation as well as any corrective steps that are being taken.

Employees who believe they are being penalized in any way for whistle blowing or who believe that there has been a cover up of the action disclosed or who do not consider that they have had a satisfactory response to their disclosure should write to the board appointed ombudsman with the facts.

Safeguards: If requested by the whistleblower, all reasonable steps will be taken to protect the anonymity of the whistleblower. However, under certain circumstances, to assist with the investigation the individual’s identity may become known or needs to be revealed.

Disciplinary Action: If the claim of malpractice or misconduct is substantiated, appropriate disciplinary action will be taken against the responsible individual(s) up to and including termination of employment.

Any act of retaliation or victimization against the whistleblower will result in disciplinary action, up to and including termination of employment.

The malicious use of the whistle blowing policy will result in disciplinary action against the whistle blowing complainant, up to and including termination of employment.

External Disclosure: While internal disclosure is encouraged at all times, an employee may be of the view that there is an exceptionally serious issue which warrants reporting to an external body. This disclosure must be in good faith and not for the purposes of personal gain.

Whistleblowing Policy Designated Executives:

Board President – KFAI, Fresh Air, Inc.

Board Vice President – KFAI, Fresh Air, Inc.

Board Treasurer – KFAI, Fresh Air, Inc.

Board Secretary – KFAI, Fresh Air, Inc.

General Manager – KFAI, Fresh Air, Inc.

KFAI (Fresh Air, Inc.) CODE OF CONDUCT POLICY

KFAI, Fresh Air, Inc's (hereinafter referred to as Fresh Air, Inc.) Code of Conduct applies to employees of the organization. These representatives have a fiduciary relationship with the organization and must practice honesty and integrity in fulfilling their responsibilities and shall act in good faith with due regard to the interests of the organization. Representatives shall comply with the ethical principles adopted in this policy and the organization's Conflict of Interest Policy.

1. Representatives of the organization have a responsibility to act in the best interest of the organization they serve as it pertains to KFAI.

2. Representatives shall not engage in activities that conflict with the fiduciary, ethical, and legal obligations to the organization.

3. Representatives shall effectively disclose all potential and actual conflicts of interest.

4. Representatives shall not exploit any relationship with a donor, prospect, volunteer, or employee for personal benefit or for the benefit of members of the organization or the community it serves.

5. Representatives shall respect the confidentiality of information acquired in the course of doing business except when authorized or otherwise legally obligated to disclose.

6. Representatives shall not make promises on behalf of the organization that compromises the organization's operational policies and standards.

7. Representatives shall honestly represent the facts of a payment regardless of the payee's tax benefit.

8. Representatives shall abide and adhere to all IRS regulations regarding the acceptance of donations, including any quid pro quo restrictions.

9. Representatives shall comply with applicable rules and regulations of federal, state, and local governments and other appropriate private and public regulatory agencies.

10. Representatives shall proactively promote ethical behavior as a responsible partner in the work environment and the community.

11. Representatives shall report known or suspected violations of this code in accordance with the organization's whistleblower policy.

12. Representatives shall be accountable for adhering to this code.

Build Trust and Credibility

The success of our business is dependent on the trust and confidence we earn from our employees, board of directors, volunteers and contributors. We gain credibility by adhering to our commitments, displaying honesty and integrity and reaching organizational goals through honorable conduct.

Set Tone at the Top

Management has the added responsibility for demonstrating, through their actions, the importance of this Code. Managers must be responsible for promptly addressing ethical questions or concerns raised by employees and for taking the appropriate steps to deal with such issues. Managers should not consider employees' ethical concerns as threats or challenges to their authority, but rather as another encouraged form of business communication.

Accurate Public Disclosures

All employees with any responsibility for the drafting, reviewing, signing or preparation of financial reports and public documents will make certain that all disclosures are full, fair, accurate, timely and understandable. Employees should inform management and the Board of Directors if they learn that information in any filing or public communication was untrue or misleading at the time it was made or if subsequent information would affect a similar future filing or public communication.

Corporate Recordkeeping

We must not improperly influence, manipulate or mislead nor interfere with any auditor engaged to perform an internal independent audit of Fresh Air, Inc. and the organization's books, records, processes or internal controls.

Media Inquiries

Fresh Air, Inc. is a high-profile organization in our community, and from time to time, employees may be approached by reporters and other members of the media. In order to ensure that we speak with one voice and provide accurate information about the company, we should direct all media inquiries to the Executive Director and News Director. No one may issue a press release without first consulting with the both of these managers.

Accountability

Fresh Air, Inc. takes seriously the standards set forth in the Code. All representatives of the organization are responsible for knowing and adhering to the values and standards set forth in this Code and violations are cause for disciplinary action up to and including termination of employment.

Approval

KFAI Employee ____ Date _____________________

KFAI General Manager ____ Date _____________________

KFAI (Fresh Air, Inc.) CONFLICT OF INTEREST POLICY STATEMENT

SECTION 1. PURPOSE:

KFAI is a nonprofit, tax-exempt organization. Maintenance of its tax-exempt status is important both for its continued financial stability and for public support. Therefore, the IRS as well as state regulatory and tax officials view the operations of KFAI as a public trust, which is subject to scrutiny by and accountable to such governmental authorities as well as to members of the public.

Consequently, there exists between KFAI and its board and officers and the public a fiduciary duty, which carries with it a broad and unbending duty of loyalty and fidelity. The board and officers have the responsibility of administering the affairs of KFAI honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of KFAI. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with KFAI or knowledge gained there from for their personal benefit. The interests of the organization must be the first priority in all decisions and actions.

SECTION 2. PERSONS CONCERNED:

This statement is directed to directors and officers of KFAI.

SECTION 3. AREAS IN WHICH CONFLICT MAY ARISE:

Conflicts of interest may arise in the relations of directors and officers with any of the following third parties:

1. Persons and firms supplying goods and services to KFAI.
2. Persons and firms from whom KFAI leases property and equipment.
3. Persons and firms with whom KFAI is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property.
4. Competing or affinity organizations.
5. Donors and others supporting KFAI.
6. Agencies, organizations and associations which affect the operations of KFAI.
7. Family members, friends, and other employees.

SECTION 4. NATURE OF CONFLICTING INTEREST:

A conflicting interest may be defined as an interest, direct or indirect, with any persons or firms mentioned in Section 3. Such an interest might arise through:

1. Owning stock or holding debt or other proprietary interests in any third party dealing with KFAI.

2. Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) with any third party dealing with KFAI.

3. Receiving remuneration for services with respect to individual transactions involving KFAI.

4. Using KFAI's time, personnel, equipment, supplies, or good will for other than KFAI-approved activities, programs, and purposes.

5. Receiving personal gifts or loans from third parties dealing or competing with KFAI. Receipt of any gift is disapproved except gifts of a value less than $50, which could not be refused without discourtesy. No personal gift of money should ever be accepted.

SECTION 5. INTERPRETATION OF THIS STATEMENT OF POLICY:

The areas of conflicting interest listed in Section 3, and the relations in those areas which may give rise to conflict, as listed in Section 4, are not exhaustive. Conflicts might arise in other areas or through other relations. It is assumed that the directors and officers will recognize such areas and relations by analogy.

The fact that one of the interests described in Section 4 exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances it is necessarily adverse to the interests of KFAI.

However, it is the policy of the board that the existence of any of the interests described in Section 4 shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of the board and officers to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

SECTION 6. DISCLOSURE POLICY AND PROCEDURE:

Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:

1. The conflicting interest is fully disclosed;
2. The person with the conflict of interest is excluded from the discussion and approval of such transaction;
3. A competitive bid or comparable valuation exists; and
4. The board has determined that the transaction is in the best interest of the organization.

Disclosure involving directors should be made to the board president, or if she or he is the one with the conflict, then to the board vice president who shall bring these matters to the board.

The board shall determine whether a conflict exists and in the case of an existing conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to KFAI. The decision of the board on these matters will rest in their sole discretion, and their concern must be the welfare of KFAI and the advancement of its purpose.

KFAI (Fresh Air, Inc.) CONFLICT OF INTEREST DISCLOSURE STATEMENT (Created 5/16/2005)

Preliminary note: In order to be more comprehensive, this statement of disclosure/questionnaire also requires you to provide information with respect to certain parties that are related to you. These persons are termed "affiliated persons" and include the following:

a. your spouse, domestic partner, child, mother, father, brother or sister;

b. any corporation or organization of which you are a board member, an officer, a partner, participate in management or are employed by, or are, directly or indirectly, a debt holder or the beneficial owner of any class of equity securities; and

c. any trust or other estate in which you have a substantial beneficial interest or as to which you serve as a trustee or in a similar capacity.

1. NAME OF BOARD MEMBER: (Please print)

____

2. CAPACITY:

______ Board of Directors

______ Officer

3. Have you or any of your affiliated persons provided services or property to KFAI in the past year?

_____ YES _____ NO

If yes, please describe the nature of the services or property and, if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

4. Have you or any of your affiliated persons purchased services or property from KFAI in the past year?

_____ YES _____ NO

If yes, please describe the purchased services or property and, if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

5. Please indicate whether you or any of your affiliated persons had any direct or indirect interest in any business transaction(s) in the past year to which KFAI was or is a party?

_____ YES _____ NO

If yes, describe the transaction(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

6. Were you or any of your affiliated persons indebted to pay money to KFAI at any time in the past year (other than travel advances or the like)?

_____YES _____NO

f yes, please describe the indebtedness and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

7. In the past year, did you or any of your affiliated persons receive, or become entitled to receive, directly or indirectly, any personal benefits from KFAI or as a result of your relationship with KFAI, that in the aggregate could be valued in excess of $1,000, that were not or will not be compensation directly related to your duties to KFAI?

_____ YES _____NO

If yes, please describe the benefit(s) and, if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

8. Are you or any of your affiliated persons a party to or have an interest in any pending legal proceedings involving KFAI?

_____ YES _____ NO

If yes, please describe the proceeding(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

9. Are you aware of any other events, transactions, arrangements or other situations that have occurred or may occur in the future that you believe should be examined by KFAI's board in accordance with the terms and intent of KFAI's conflict of interest policy?

_____ YES _____ NO

If yes, please describe the situation(s) and, if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

I, HEREBY CONFIRM that I have read and understand KFAI's conflict of interest policy and that my responses to the above questions are complete and correct to the best of my information and belief. I agree that if I become aware of any information that might indicate that this disclosure is inaccurate or that I have not complied with this policy, I will notify the Board President immediately.

____ _________________________

Signature Date

KFAI (Fresh Air, Inc.) GIFT POLICY AND DISCLOSURE FORM

As part of its conflict of interest policy, KFAI requires that directors decline to accept certain gifts, consideration, or remuneration from individuals or companies that seek to do business with KFAI or are a competitor of it. This policy and disclosure form is intended to implement that prohibition on gifts.

Section 1. “Responsible Person” is any person serving as an officer or a member of the board of directors of KFAI.

Section 2. “Family Member” is a spouse, domestic partner, parent, child or spouse of a child, or a brother, sister, or spouse of a brother or sister, of a Responsible Person.

Section 3. “Contract or Transaction” is any agreement or relationship involving the sale or purchase of goods, services or rights, of any kind, receipt of a loan or grant, or the establishment of any other pecuniary relationship. The making of a gift to KFAI is not a “contract” or “transaction.”

Section 4. Prohibited gifts, gratuities and entertainment, except as approved by the President of the Board or his/her designee or for gifts of a value less than $50 which could not be refused without discourtesy, no Responsible Person or Family Member shall accept gifts, entertainment or other favors from any person or entity which:

1. Does or seeks to do business with KFAI or,
2. Does or seeks to compete with KFAI or,
3. Has received, is receiving, or is seeking to receive a Contract or Transaction with KFAI.

GIFT STATEMENT

I certify that I have read the above policy concerning gifts, and I agree that I will not accept gifts, entertainment or other favors from any individual or entity, which would be prohibited by the above policy

____ ______________________________

Signature Date

KFAI (Fresh Air, Inc.) GOVERNANCE POLICIES (last modified June 6, 2011)

PREAMBLE

Fresh Air, Inc. is a not-for-profit organization incorporated pursuant to the Minnesota Nonprofit

Corporation Act, Minnesota Statutes, Chapter 317A. Its articles of incorporation are dated 24th day of July, 1973. The composition of its Board of Directors is articulated in its bylaws, most recently amended in 2004. Currently, Fresh Air, Inc, owns one non-commercial radio station – KFAI fm, operating in the Twin Cities of Minneapolis and St. Paul, Minnesota.

Consistent with the above, the following document represents the governance policies of Fresh Air, Inc., effective July 20, 2009. All previous governance policies are superceded. Any apparent gaps, conflicts, questions or suggestions will be welcomed and should be forwarded to the President of the Board of Directors of Fresh Air, Inc. These policies were adopted by and may be amended only by resolution of the Board of Directors as provided for in the bylaws of Fresh Air, Inc.

These policies describe the governance method of the Fresh Air, Inc. They are organized by:

- Organizational Ends
- Governance Process
- Means Constraints
- Board-Executive Director Relationships

These policies are not designed to cover all eventualities; they are principles of operation. All decisions by the Board of Fresh Air, Inc., KFAI's Executive Director and staff are expected to be made using good faith judgment.

GOVERNANCE POLICIES

Mission

KFAI is a volunteer-based community radio station that exists to broadcast information, arts and entertainment programming for an audience of diverse racial, social and economic backgrounds. By providing a voice for people ignored or misrepresented by mainstream media, KFAI increases understanding between peoples and communities, while fostering the values of democracy and social justice.

Programming

Programming is the principal product of Fresh Air, Inc. Programming on its station(s) shall be mission-driven. More specifically:

1. Public Affairs: Fresh Air, Inc.'s program services will be regional, informative, and entertaining, with a strong emphasis on listener participation, portraying issues and events through perspectives representative of our region.

2. <u>Music Programs</u>: Musical programming will be distinct, unique and of high quality. It will be intellectually and emotionally stimulating, capable of satisfying an audience with diverse, eclectic musical interests.

Volunteer Staff

As an independent, community-licensed broadcaster, Fresh Air, Inc. is committed to the use of volunteers in all aspects of its operation, particularly as on-air programmer/producers. Since the development of volunteer programmer/producers is an important and unique part of Fresh Air's program service, the following is stated:

1. Fresh Air's program service shall use volunteer staff for a significant portion of its schedule. Moreover, Fresh Air shall strive to have a surplus of volunteer staff.

2. Volunteer staff are entitled to appropriate training; ongoing opportunities for professional growth and skills improvement; clearly-stated expectations and program guidelines; humane and dignified treatment as described in staff treatment policies; a positive and constructive volunteer experience as measured by ongoing volunteer feedback collected and reported by staff; and meaningful input into decision making where appropriate.

3. Volunteer staff must be committed to obtaining and updating technical training; demonstrate a willingness to improve on-air skills; must treat Fresh Air members, other volunteers, audience, paid staff, and members of the public with respect and consideration; must report for shifts in a responsible manner; and shall obey all rules and regulations legitimately imposed by Fresh Air staff and management or external regulators.

4. Volunteers are expected to demonstrate commitment to audience and membership.

5. Nothing in this policy should be construed to limit board members from volunteering for Fresh Air, inc. on the same basis as other volunteers. In this capacity, board members have no special status and are operating on the same basis as other volunteers.6. Volunteer positions are managed by the Executive Director and his / her staff who have the authority to limit or terminate any individual's role as they deem necessary.

Audience

Fresh Air, Inc. shall deliver a service valued by our audience. Fresh Air, Inc. must be valued by our listeners, contributors, volunteers, and underwriters. The audience must feel that we are an important part of their daily lives.

1. Our audience includes all of the following:

- · People who contribute financially and are members
- · People who listen but do not contribute financially
- · Volunteers
- · Underwriters

2. Specifically, our primary audience is made up of people who live in the Twin Cities metro area who are community-based, intellectually curious, enjoy diverse music, and are multiculturally-oriented. Inherent in this

description is the implication that our Mission Statement will resonate with our audience; our values are their values.

3. Additionally, we have an internet audience that is geographically and culturally diverse.

4. We shall strive to continuously improve out service and value. We believe that a growing, rather than declining, audience is evidence of improving service.

5. We shall evaluate our audience size, composition, loyalty and needs; using ratings, surveys, community outreach and other means to help us determine whether we are delivering a valued service.

Community Relations

Fresh Air will provide media access to a broad range of educational, political, and cultural organizations which are representative of the listening area, inclusive of a range of interests and opinions.

Fresh Air will actively seek partnerships with organizations to generate new programs and program segments, and to cooperate in non-broadcast projects.

Fresh Air will also establish itself in the community through these organizations' newsletters, meetings, etc. Fresh Air will use local media to promote its partnerships with community organizations.

Governing Style

The board will approach its task with a style which emphasizes strategic leadership more than administrative detail, clear distinction of board and staff roles, future orientation rather than past or present, and is proactive rather than reactive. In this spirit the board will:

1. Focus chiefly on intended long-term impacts, not on the administrative or programmatic means of attaining those ends.

2. Direct and inspire the organization through careful establishment of the broadest organizational values and perspectives (policies). Policies will address:

    a. Organizational Ends: what benefits for which people at what cost,
    b. Means Constraints: boundaries of prudence and ethics to be observed by staff,
    c. Governance Process: board role and responsibilities, and
    d. Board-Executive Director Relationship: linkage between board and staff, including monitoring and assessment of executive performance.

3. Enforce upon itself whatever discipline is needed to govern effectively. Discipline will apply to attendance and participation, policymaking principles, speaking with one voice, and self-policing of any tendency to stray from governance adopted in board policies.

4. Be accountable to Fresh Air, Inc. membership and the general public for competent, conscientious, and effective accomplishment of its obligations as a body. It will allow no officer, individual, or committee of the board to usurp this role or hinder this discipline.

5. Monitor and regularly discuss the board's own process and performance. Ensure the continuity of board improvements through systematic treatment of its own institutional memory.

6. Be an initiator of policy, not merely a reactor to staff initiatives. The board, through the Executive Director, is responsible for the organization's performance.

Board Members' Code of Conduct

The board expects of itself and its members ethical and business-like conduct. This commitment includes proper use of authority and appropriate decorum in group and individual behavior when acting as board members.

1. Board members must represent unconflicted loyalty to the interests of Fresh Air, Inc. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other boards or staffs. This accountability supersedes that personal interest of any director acting as an individual consumer of Fresh Air, Inc.'s services.

2. Board members must avoid any conflict of interest with respect to their fiduciary responsibility.

    a. There must be no self-dealing or any conduct of private business or personal services between any director and Fresh Air, Inc. except as procedurally controlled to assure openness, competitive opportunity, and equal access to "inside" information.

    b. Board members must not use their personal positions to obtain for themselves, family members, or close associates employment within the organization.

    c. Should a director be considered for employment by the organization, s/he must temporarily withdraw from board deliberation, voting, and access to applicable board information.

3. Board members may not attempt to exercise individual authority over the organization, except as explicitly set forth in board policies.

    a. Board members' interactions with the Executive Director or with staff must recognize the lack of authority in any individual director or group of board members except as noted above.

    b. Board members' interactions with the public, press, or other entities must recognize the same inability of any director or board member to speak for the board.

    c. Board members will make no judgments of the Executive Director or staff performance except as that performance is assessed by the official performance evaluation process.

Board Committee Principles

The board may establish committees to help carry out its responsibilities but unless specifically instructed by board policy or board directive, a board committee may not act independent of the board. To preserve a cohesive and active board, committees will be used sparingly, only when other methods have been deemed ineffective. It is intended that board committees will be used to develop perspectives and recommendations to present to the board for its consideration, deliberation and adoption if so voted on by the board. A committee does not fulfill the board's job, and is never to interfere with the responsibilities delegated by the board to the Executive Director.

1. Board committees may not speak or act for the board except when formally given such authority for specific and time-limited purposes. Such authority will be carefully stated in order not to conflict with authority of the board or authority delegated to the Executive Director.

2. Board committees are to help the board do its job, not to help the staff do its job. Committees will assist the board chiefly by preparing policy alternatives and implications for board deliberation. Board committees are not to be created by the board to advise staff.

3. Board committees cannot exercise authority over staff and board committees will not ordinarily have direct dealings with current staff operations. Further, the board will not reduce the delegated authority of the Executive Director by requiring approval of a board committee before an executive action. The Executive Director works for the board, never for a board committee or officer.

4. This policy applies only to committees which are formed by board action, whether or not the committees include non-board members. It does not apply to committees formed under the authority of the Executive Director.

Board Job Contributions

The job of the board is to make certain contributions which lead Fresh Air, Inc. toward the desired performance and assure that it occurs. The board's specific contributions are unique to its trusteeship role and necessary for proper governance and management. Consequently, the "products," or job contributions, of the board shall be:

1. A link between the organization and its constituents (anyone who is affected by or must carry out the work of Fresh Air, Inc.).

2. Written governing policies which, at the broadest levels, address:

   a. Organizational Ends: Organizational products, impacts, benefits, outcomes (what good for which people at what cost).

   b. Means Constraints: Constraints on executive or managerial authority, which establish the boundaries of prudence and ethics within which lies the acceptable arenas of executive activity, decisions, and organizational circumstances.

c. Governance Process: Specification of how the board conceives, carries out, and monitors its own task.

d. Executive Director-Board Relationship: How power is delegated and its proper use monitored.

3. The evaluation of Executive Director performance against Organizational Ends policies and Means Constraints.

Board President’s Role

The President’s primary role is to ensure the integrity of the board’s processes. Generally, the President is the only person authorized to speak for the board.

1. The President will ensure that the board behaves in a manner consistent with its own rules and those legitimately imposed upon it from outside the organization.

a. Meeting discussion content will be only those issues which, according to board policy, clearly belong to the board to decide, not the Executive Director.

b. Deliberation will be timely, fair, orderly, and thorough, but also efficient, limited as to time, and kept to the point.

c. Robert’s Rules are observed except where the board has superseded them.

2. The authority of the President consists of making any decision on behalf of the board, which falls within or is consistent with board policies on Governance Process and on the Board-

Executive Director Relationship.

a. The President is empowered to chair board meetings with all the commonly accepted power of that position (e.g., ruling, recognizing, etc.).

b. The President’s authority does not extend to making decisions within Organizational Ends and Means Constraints policy areas, each of which is within the purview of the Executive Director.

c. The President’s authority does not extend to supervising, interpreting board policies to, or otherwise directing the Executive Director.

Board Composition

Because KFAI seeks to serve an audience of diverse racial, social and economic backgrounds, we strive for a board composition that is representative of our community.

General Executive Constraint

The Executive Director shall not cause or allow any practice, activity, decision, or organizational circumstance which is either imprudent or in violation of commonly accepted business or professional ethics. More specifically:

1. Dealings with staff and volunteers shall not be inhumane, unfair, undignified, or illegal.

2. Budgeting for any fiscal period or the remaining part of any fiscal period shall not deviate materially from board Organizational Ends priorities, risk fiscal jeopardy, nor fail to show a generally acceptable level of foresight.

3. Actual financial condition of Fresh Air, Inc. shall not at any time place the organization in fiscal jeopardy or compromise board Organizational Ends priorities.

4. Information and advice to the board will have no significant gaps in either timeliness, completeness, or accuracy.

5. Assets may not be unprotected, inadequately maintained, or unnecessarily risked.

6. Compensation and benefits shall not deviate materially from market.

7. The Executive Director shall not impede the free flow of information about board issues and processes.

8. There shall be no conflict of interest in awarding purchases or other contracts.

Staff Treatment

With respect to the treatment of paid and volunteer staff, the Executive Director may not cause or allow conditions which are inhumane, unfair, undignified, or illegal. Accordingly, s/he may not:

1. Discriminate among employees on other than clearly job-related requirements, individual performance or qualifications.

2. Subject staff to unsafe or unhealthy conditions.

3. Withhold from staff a written personnel policy inclusive of a due process, non-biased grievance procedure.

4. Prevent staff from grieving to the board when

   a. internal grievance procedures have been exhausted, and

   b. the employee alleges either that board policy has been violated to his/her detriment or board policy does not adequately protect his/her human rights.

5. Withhold from volunteers a written volunteer policy inclusive of a due process, non-biased grievance procedure.

Financial Planning

With respect to planning fiscal events (budgeting for all or any remaining part of a fiscal period), the Executive Director may not jeopardize either the programmatic or fiscal integrity of Fresh Air, Inc. Accordingly, s/he may not cause or allow budgeting which:

1. Contains too little detail to enable reasonably accurate projection and tracking of revenues and expenses, and disclosure of planning assumptions.

2. Fails to conservatively project an operating surplus.

3. Does not allow for prudent financial cash flow management.

4. Plans expenditures for other than board-stated priorities.

Asset Protection

With respect to proper stewardship of Fresh Air, Inc.'s assets, the Executive Director may not risk losses beyond those necessary in the normal course of business. Accordingly, s/he may not:

1. Fail to insure against theft and casualty losses to at least 80% replacement value.

2. Subject physical plant and equipment to improper wear and tear or insufficient maintenance.

3. Unnecessarily expose the organization, its board, staff, or volunteers to claims of liability.

4. Fail to receive board approval before making purchases for more than $5,000.

5. Receive, process, or disburse funds under controls insufficient to meet the board-appointed auditor's standard.

6. Write any check over $2,000 without co-signature from designated board member.

7. Invest operating capital in insecure instruments, including uninsured checking accounts, and bonds of less than AAA rating.

8. Refuse reasonable requests of the board or its designated agent to examine the books of accounts.

9. Sell, license, encumber or significantly modify any broadcast license or facility, real estate or other long term asset without approval of the board.

Communication and Counsel to the Board

With respect to providing information and counsel to the board, the Executive Director may not cause or allow the board to be uninformed or misinformed. Accordingly s/he may not:

1. Let the board be unaware of relevant trends, public events of the organization, material internal and external changes, particularly in the assumptions upon which any board policy has previously been established.

2. Fail to submit the monitoring data required by the board policy "Monitoring Executive Performance" in a timely, accurate, and understandable fashion, directly addressing the provisions of the board policies.

3. Fail to gather as many staff and external points of view, issues, and options as needed for fully informed board choices.

4. Present information in unnecessarily complex or lengthy form.

Compensation and Benefits

With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the Executive Director may not cause or allow jeopardy to fiscal integrity or public image. Accordingly s/he may not:

1. Change his/her own compensation and benefits as established by the board.

2. Promise or imply permanent or guaranteed employment.

3. Establish current compensation and benefits which:

    a. Deviate materially from the geographic or professional market for the skills employed.

    b. Create obligations over a longer term than revenues can be safely projected; in no event longer than one year and in all events subject to losses of revenue.

4. Establish deferred or long term compensation and benefits which:

    a. Cause unfunded liabilities to occur or in any way commit the organization to benefits which incur unpredictable future costs.

    b. Provide less than basic benefits to all full time employees, though differential benefits to encourage longevity in key employees are not prohibited.

    c. Allow employees to lose benefits already accrued from any foregoing plan.

    d. Treat the Executive Director differently from other comparable key employees.

    e. Are instituted without prior board approval.

Financial Condition

With respect to the financial health of Fresh Air, Inc., the Executive Director may not cause of allow the development of fiscal jeopardy or loss of financial integrity (the ability to pay bills through the management of cash flow). Accordingly s/he may not:

1. Fail to maintain an annual operating surplus.

2. Use a line of credit established by the corporation in any fashion other than that which keeps such usage to an absolute minimum.

3. Allow, on an annual basis, any condition which does not represent a positive ratio between current assets and current liabilities.

4. Use any long term reserves unless specifically approved by the board.

5. Allow cash to drop below the amount needed to settle payroll and debts in a timely manner.

6. Incur a debt that cannot be repaid within one year without board approval.

7. Allow the expenditure of funds which deviates from board-stated priorities.

8. Use any restricted funds in violation of the restrictions placed by the donor.

9. Fail to maintain the board-designated cash reserve of $120,000 without approval of the board.

Delegation to the Executive Director

The board role is generally confined to establishing topmost policies, leaving implementation and subsidiary policy development to the Executive Director. Organizational Ends policies direct the Executive Director to achieve certain results; Means Constraints constrain the Executive Director to act within acceptable boundaries of prudence and ethics. All board authority delegated to staff is delegated through the Executive Director, so that all authority and accountability of staff can be phrased, insofar as the board is concerned, as authority and accountability of the Executive Director.

1. The Executive Director is authorized to establish all further policies, make all decisions, take all actions, and develop all activities which are true to the board's policies. The board may, by extending its policies, restrict areas of the Executive Director's authority, but will respect the Executive Director's choices so long as the delegation continues. This does not prevent the board from obtaining information about activities in the delegated areas.

2. No individual board member, officer, or committee has authority over the Executive Director. Information may be requested by a board member, but if such request, in the Executive Director's judgment, requires an inordinate amount of staff time or organizational resources, it may be deferred until confirmed by a vote of the board of directors.

3. The Executive Director may not perform, allow, or cause to be performed any act which is contrary to explicit board constraints on executive authority.

4. Should the Executive Director deem it necessary to violate board policy, s/he shall inform the President of the board promptly. Informing is simply to guarantee no violation may be intentionally kept from the board, not to request approval. Officer response, either approving or disapproving, does not exempt the Executive Director from subsequent board judgment of the action, nor does it impede any executive decision.

Executive Director Job Contribution

As the board's single official link to the operating organization, the Executive Director is accountable for organizational performance and exercises all authority delegated to the organization by the board. Executive Director performance will be considered to be synonymous with organizational performance.

Consequently, the Executive Director's job contributions can be stated as performance in the following areas:

1. Accomplishment of the provision of board policies on Organizational Ends.

2. Organizational operation within the boundaries of prudence and ethics established in board policies on Means Constraints.

Executive Director Job Contribution

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Consequently, the Executive Director's job contributions can be stated as performance in the following areas:

1. Accomplishment of the provision of board policies on Organizational Ends.

2. Organizational operation within the boundaries of prudence and ethics established in board policies on Means Constraints.

Monitoring Executive Performance

Monitoring executive performance is synonymous with monitoring organizational performance against board policies on Organizational Ends and on Means Constraints. Monitoring will be as automatic as possible, using a minimum of board time so that meetings can be used to create the future rather than review the past.

1. The purpose of monitoring is simply to determine the degree to which organizational goals and board policies are being fulfilled.

2. A given policy may be monitored in one or more of three ways:

   A. Internal Report: Disclosure of compliance information to the board from the Executive Director.

B. External Report: Discovery of compliance information by a disinterested external auditor, inspector, or judge who is selected by and reports directly to the board. Such reports must assess executive performance only against policies of the board, not the external party's expectations, unless the board has previously indicated that party's opinion to be the standard.

C. Direct Board Inspection: Discovery of compliance information by a board member, a committee, or the board as a whole. This is a board inspection of documents, activities, or circumstances directed by the board which allows a "prudent person" test of policy compliance.

3. Upon the choice of the board, any policy can be monitored by any method at any time. However, each Organizational Ends and Means Constraints policy (except the General Executive Constraint) of the board will be classified by the board according to frequency and method of regular monitoring.

4. Policies will be monitored according to a schedule established by the board.

-- End --

KFAI FINANCIAL DOCUMENTS AND STATEMENTS

UNDERSTANDING KFAI FINANCIAL STATEMENTS

There are two documents that we use to track how the organization is doing financially. One is known as the Income Statement and one is known as the Balance Sheet (aka Statement of Financial Position)

INCOME STATEMENT

The Income Statement tracks the income we receive and the expenses we incur and compares this information to the budget passed. For comparison purposes, the budget is allocated equally for 12 months but our income is not received equally throughout the year. The expenses more closely track the budget because such things as salaries and rent are paid every month.

The Income Statement tracks revenues and expenses by various classifications (Membership Support, Foundation Support, Salaries etc.) There are spikes in income when we have our pledge drives and when we receive grants and/or federal/state funding.

The Income Statement also contains some “non cash” revenues and some “non cash expenditures.” Things like In Kind Support and In Kind Contributions benefit the organization so they are included as revenue but they are not cash. They have corresponding entries on the expense side - even though we don’t have to pay cash for them.

To monitor how KFAI is doing each month, you would look at the Current Month Total Income and subtract the Current Month Total Expenses (first column on Income Statement). This is the line item Excess/(Deficit) Before Depreciation. As a very general rule (barring any purchases of assets or increases in Receivables/Payables), if the amount before depreciation is an “excess,” the checking account balance on the balance sheet (discussed later) should increase by a somewhat similar amount; if the amount before depreciation is a deficit, the checking account balance should decrease by a somewhat similar amount.

To determine how KFAI is doing Year To Date, you would look at the 2nd column and take YTD Total Income and subtract YTD Total Expense. Again, this is the line item Excess/(Deficit) Before Depreciation.

To determine how KFAI is doing in comparison to how it budgeted, you would look at the difference between column 2 (YTD Actual) and column 3 (YTD Budget). This difference appears in column 4 - variance. If it is positive, the actual numbers are higher than the budgeted numbers (good for the Revenue section; bad for the expense section). If it is negative, actual numbers are less than budgeted numbers (bad for the Revenue section; good for the Expense section). But heed the following Caveat!! YTD Budget is an equal allocation which usually does not accurately track revenues/expenses. These differences are considered by the Finance

Committee and line items that present potential concerns are discussed at the Board meetings.

You will note at the bottom of the Income Statement, below Excess/(Deficit) Before Depreciation, there is a line for Depreciation. Depreciation is a non-cash expense in which we reduce the value of our fixed assets by a standard amount each month. As assets age and become obsolete, we need to replace them. This amount provides an estimate of how much we should be putting aside to fund future purchases of these aging assets.

(Note: Depreciation is a standardized estimate only! Assets can be fully depreciated - meaning they have a zero value on the Balance Sheet - but an entity can continue using them.)

The final line is Excess/(Deficit) After Depreciation. If this amount is positive, the station has not only received enough money to cover its expenditures but has also received enough money to fund the “aging” of the assets.

BALANCE SHEET (STATEMENT OF FINANCIAL POSITION is the formal name)

This document tracks the financial strength of the organization. It identifies assets, such as cash in the checking accounts, money we expect to receive from advertisers (Accounts Receivable), Purchases of Items that Benefit the station in the future (Prepaid Expenses and Prepaid Insurance - paying up front for an insurance policy or a membership that provides benefits for the upcoming year), and Property & Equipment (generally referred to as Fixed Assets).

Sometimes one asset is exchanged for another asset. For instance, if KFAI purchases a computer, the value of equipment will increase and the cost of the computer will come out of the checking account (checking account balance will decrease). Purchases of assets and prepaid insurance/expenses do not appear on the Income statement except as a monthly expense. (For instance, a prepaid insurance policy of $12,000 will appear as a $1,000 expense every month on the Income Statement. The depletion or aging of an asset will appear monthly as depreciation on the Income Statement.)

The Finance Committee reviews the changes in these accounts and addresses them at the Board meetings.

Total Assets = Total Liabilities and Fund Balance. ALWAYS!!

Liabilities primarily are Accounts Payable (amounts the station owes to others).

The Fund Balance is comprised of Total Assets less Liabilities. If the station had to liquidate, this would be the expected amount we'd receive by selling off our assets and counting all of our cash.

Certain amounts in the Fund Balance are designated: $120,000 is set aside by the Board as a cash reserve (in the event of financial shortfalls); certain funds are “restricted” - they cannot be used until a later year or for a specific reason; the Income Not Yet Allocated is the Year to Date Excess/(Deficit) After Depreciation. When the external auditors close our books for the year, this will reduce our Unrestricted Operating amount. In each new year we again begin tracking income not yet allocated.

KFAI 2020 STRATEGIC PLAN (We should work this year to update this document and make it relevant for 2021)

MISSION:

KFAI is a volunteer-based community radio station that exists to broadcast information, arts and entertainment programming for an audience of diverse racial, social and economic backgrounds. By providing a voice for people ignored or misrepresented by mainstream media, KFAI increases understanding between peoples and communities, while fostering the values of democracy and social justice.

VISION:

KFAI envisions leveraging our reputation in the Twin Cities to partner with existing and emerging media partners to amplify the community voice in a new and unique Twin Cities Media Cooperative. Our vision is to become a trusted outlet to showcase neighborhood voices and artists, so our communities and listeners can see themselves represented in our station and media cooperative. (Still a very preliminary working statement)

- Operational and programming excellence, this will be our "calling card"
- No other radio station like us
- Community Media Center
- Amplify the community voice
- Neighborhood network
- Trusted voices
- Our future is NOW
- Let people see themselves in the plan
- Combine with existing and emerging media sources to AMPLIFY the voice of the community/the neighborhoods

VALUES: (still a very preliminary working list)

- Collaboration
- Integrity
- Community
- Diversity

5 STRATEGIES/COMMITTEES for 2020

· FINANCIAL STABILITY AND GROWTH

· OPERATIONAL EXCELLENCE

· COMMUNITY CONNECTIONS

· MEDIA INNOVATION

· THE FUTURE IS NOW

FINANCIAL STABILITY AND GROWTH:

Objectives:

- Standardize our financial reporting documents
- Develop Board-approved Financial Policy
- Establish formal Development Plan with annual timeline/goals
- Increase revenue from underwriting and major donors
- Develop a grants management program

Leaders and contact info:

Chris Edwards: vegwardsxl@yahoo.com

TJ Larson: Theodore.larson@spps.org

Melissa Olson: mizzyolson@gmail.com

Members and contact info:

Steve Wilson: wilsteve@aol.com

David Orenstein: dao@dewittllp.com

Stacey Taylor: stluv2001@yahoo.com

Josh Miller: jmm4peace@gmail.com

Luke Andrews: vairparlance@yahoo.com

Stacey Taylor: stluv2001@yahoo.com

OPERATIONAL EXCELLENCE:

Objectives:

- Establish an updated and formalized KFAI Policies and Procedures Manual (both printed and electronic copies)
- Establish a plan for annual staff work plans—to guide the monthly and annual work of the staff and establish baseline for annual reviews
- Establish a plan for annual BOD work—to guide and improve board performance and standardize our work and board calendar of events
- Establish improved and updated expectations for volunteers

Leaders and contact info:

Jacque Pokorney: juju_jacque@yahoo.com

Ron Thums: gm@kfai.org

Members and contact info:

Nora Doherty: ndoherty@kfai.org

Jamie Edwards: jsedwards2007@gmail.com

David Talbot: dctalbot@umich.edu

Michael Milligan: milligan@umn.edu

Pete Lee: 345mrlee@gmail.com

Bob Ernt:

COMMUNITY CONNECTIONS:

Objectives:

- Use our Network Map to re-establish and grow our community connections
- Combine our Development Plan with our Network Map to reinvigorate our marketing and fundraising efforts
- Increase our media outreach to build connections and tell the story of KFAI

Leaders and contact info:

Melissa Olson: mizzyolson@gmail.com

Bianca Rhodes: Rhodes@spnn.org

Crystal Meisinger: cmeisinger@kfai.org

Nora Doherty: ndoherty@kfai.org

Members and contact info:

Briana Davis: BDKwyo@yahoo.com

Willie Dominguez:

Sarah Dietrich: sarahldietrich@icloud.com

Margaret Sullivan: ms.margaretlive@gmail.com

Brett Buckner: brettdbuckner@gmail.com

Jacque Pokorney: juju_jacque@yahoo.com

MEDIA INNOVATION:

Objectives:

- Refine our existing programs
- Refine our annual program evaluation process
- Expand website
- Expand podcasting
- Plan the expansion of our HD2 channel
- News of the community

Leaders and contact info:

Mason Butler: mason@kfai.org

Ryan Dawes: ryanleedawes@gmail.com

Chris Edwards: vegwardsxl@yahoo.com

Members and contact info:

Nora Doherty: ndoherty@kfai.org

Melissa Olson: mizzyolson@gmail.com

Devin Swanson: hiredevin@devinswanson.com

David Talbot: dctalbot@umich.edu

Christopher Robin Zimmerman: CRZGPZ@gmail.com

Jerry Stearns: jerry@greatnorthernaudio.com

James Smrikarov: jsmrikarov@gmail.com

Bill Hansen: blackearth@gmail.com

Barbara "Blanche" Sibley: fubaromniverse@gmail.com

THE FUTURE IS NOW (Looking to the Future):

Objectives:

- Develop partnerships with sister media organizations to collaborate on our future media presence
- Investigate and plan what will be our new physical location for KFAI studios
- Apply for appropriate collaboration grants to support our work moving forward

- Combining with existing and emerging media sources

Leaders and contact info:

Brett Buckner: brettdbuckner@gmail.com

Jacque Pokorney: juju_jacque@yahoo.com

Members and contact info:

Nora Doherty: ndoherty@kfai.org

Stacey Taylor: stluv2001@yahoo.com

Ryan Dawes: ryanleedawes@gmail.com

Melissa Olson: mizzyolson@gmail.com