



# Corporation for Public Broadcasting

## What is NFFS?

Live Webinar Training  
October 11, 2018

# Introductions



## Presenters

Kate Arno, Director of TV CSG Policy & Review

Biniam Debebe, Senior Financial Review Specialist

Ken Goulet, Senior Financial Review Specialist

# Training Objectives



## For radio and TV grantees:

- understand the definition of non-Federal financial support (NFFS)
- know the purpose and importance of reporting NFFS
- learn how to determine NFFS eligibility
- know where to find help
- meet your annual training requirement

# Agenda



- Overview of Financial Reporting to CPB
- Overview of NFFS
- NFFS Exclusions
- NFFS Decision Charts

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# Submitting Questions



- Press Q&A button in the top right of screen
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# Agenda



- Overview of Financial Reporting to CPB
  - Financial reporting and compliance
  - Important documents
  - Where to find resources
- Overview of NFFS
- NFFS Exclusions
- NFFS Decision Charts

## Why report?

- Communications Act requirement
- The non-federal financial support (NFFS) you report is used to calculate your CSG.
- Required before CPB releases your second CSG payment.



## What financial reports?

- AFR: Annual Financial Report or
- FSR: Financial Summary Report
- AFS: audited financial statement  
or unaudited financial statement, if allowed

# AFR or FSR & AFS?

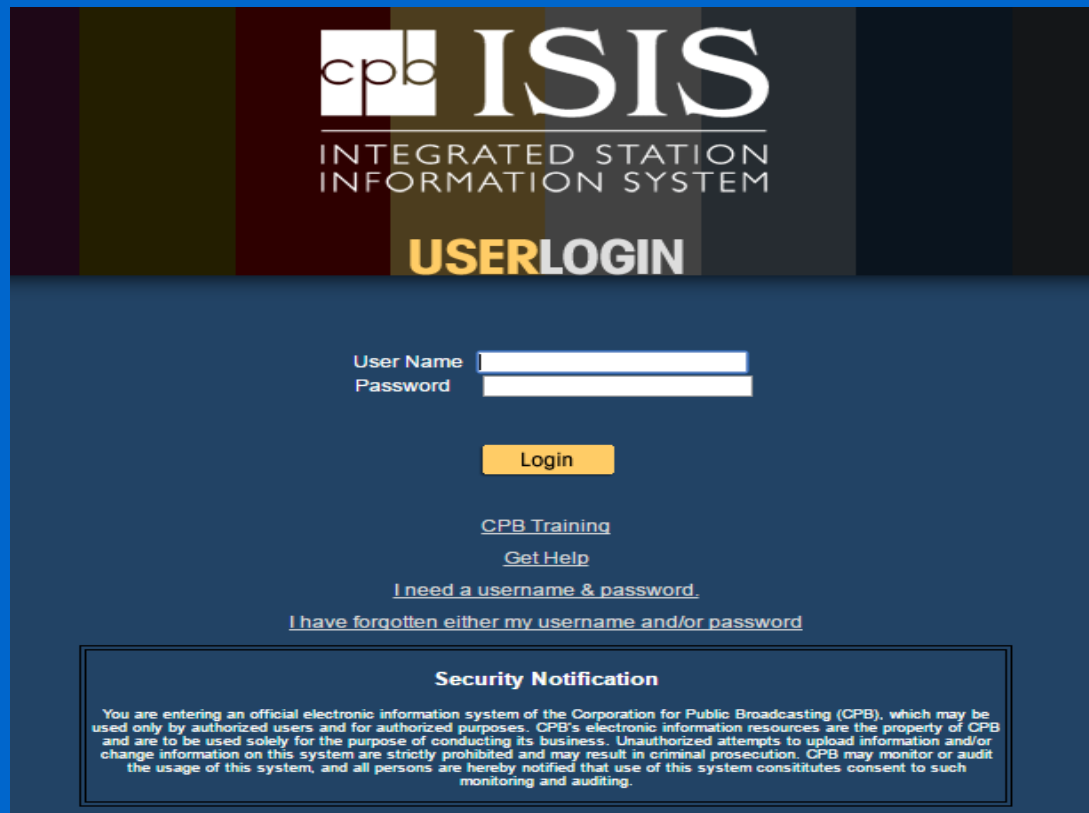
- All TV grantees are required to file AFR and submit AFS
- Radio grantees:

<b>CSG Level</b>	<b>Total Revenue</b>	<b>Financial Form</b>	<b>Financial Statements Required</b>
A & B	< \$300,000	FSR	Audited or Unaudited
A & B	≥ \$300,000	FSR	Audited
C & D	N/A	AFR	Audited

# Integrated Station Information System

## Where do you report?

- [isis.cpb.org](http://isis.cpb.org)



The screenshot shows the ISIS User Login page. At the top, the CPB logo and the text "ISIS INTEGRATED STATION INFORMATION SYSTEM" are displayed. Below this, the word "USERLOGIN" is prominently featured in yellow. The login form includes two input fields: "User Name" and "Password". A yellow "Login" button is positioned below the password field. Underneath the button, there are three links: "CPB Training", "Get Help", and "I need a username & password.". At the bottom of the page, there is a "Security Notification" box containing a disclaimer about the system's use and security.

**ISIS**  
INTEGRATED STATION  
INFORMATION SYSTEM

**USERLOGIN**

User Name

Password

Login

[CPB Training](#)

[Get Help](#)

[I need a username & password.](#)

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# AFR/FSR Filing Deadlines



## When?

- Due 5 months after the end of your fiscal year
- Two extensions available:
  - 1<sup>st</sup> extension is for 45 days
  - 2<sup>nd</sup> extension is for 30 days
- Penalties apply for late filing.

# Important Documents



## Financial Reporting Guidelines

- Reporting requirements and independent accountant attestation, NFFS definition, line item instructions, updated annually

## Principles of Accounting

- guidance on CPB's requirement to submit audited financial statements

# Important Documents



## Discrete Accounting

- Communications Act Requirement
- Included in the terms and conditions of your grant award for all CSG revenues *and* expenditures.

## Discrete Accounting Defined

Requires unique accounting codes that identify CSG funds – both revenues and expenses, restricted and unrestricted – so that both the grantor and auditor can track CSG funds within the grant recipient's accounting system.

# CSG Resources



## **cpb.org**

Resource documents

Online webinars

## **Help Desk**

Email: [cs@cpb.org](mailto:cs@cpb.org)

Phone: (866) 635-4747

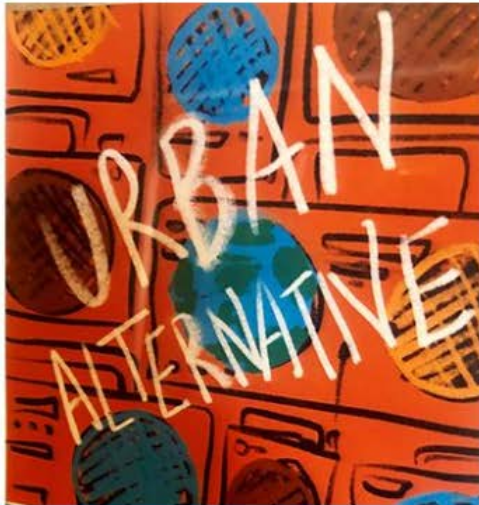
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# Where to Find Resources

## Website cpb.org



About CPB ▾ About Public Media ▾ Programs and Initiatives ▾ Grants ▾ Press Room I want to... ▾



CPB Awards \$1.3 Million for Public Radio Urban Alternative Initiative

**Jobline** **Stations** **Programs & Projects**

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### About CPB

**cpb** Corporation for Public Broadcasting  
About CPB  
Steward of the U.S. government's investment in public media

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**Corporate Officers and Senior Staff**  
Learn about the people on CPB's leadership team

### Resources

**Jobline**  
Jobs in public broadcasting

**Community Service Grants**  
CSG General Provisions, station guidelines and resources

**Open Grants and RFPs**  
Prepare and submit an application, learn about terms and conditions

### Initiatives

**AMERICAN GRADUATE**  
GETTING TO WORK  
American Graduate  
A public media initiative to help advance education and career readiness



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- [Television CSG General Provisions](#)
- [Radio CSG General Provisions](#)

### Compliance

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- [CSG Non-Compliance Policy](#)
- [Communications Act Compliance](#)
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- [Compliance Checklist 2018 122KB PDF](#)
- [Compliance Card 2018 430KB PDF](#)
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[→ 2018](#)

[→ 2017](#)

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### Reporting Requirements

- [Financial Reporting Guidelines for CSG \( AFR and FSR\)](#)
- [Discrete Accounting Requirements](#)
- [Principles of Accounting and Financial Reporting](#)
- [In-Kind Donations](#)
- [Station Activity Survey \(SAS\)](#)
- [Station Activities Benchmarking Survey \(SABS\)](#)
- [Local Content and Service Report](#)
- [NFFS Decision Charts PDF 110KB](#)

### Integrated Station Information System

The CSG legal forms as well as reporting tools (AFR, FSR, SABS, and SAS) can be found on the [integrated station information system](#).

### Training

CPB provides pre-recorded and live training sessions on financial reporting, completing forms and CSG compliance. To view or sign up for training, visit our [training site](#).

## Q & A

### *Test Your Knowledge*

# Question 1



Which of the following is correct regarding the AFR/FSR filing due date?

- A. The AFR/FSR is due by May 31.
- B. Penalties do not apply.
- C. 1<sup>st</sup> extension requires justification & approval by CPB.
- D. 2<sup>nd</sup> extension requires justification & approval by CPB.

# Question 1 - Answer



Which of the following is correct regarding the AFR/FSR filing due date?

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## Question 2



For FY2017, a radio station with CSG level “A” has total revenue of \$500K and NFFS of \$275K. What financial forms must the station submit to CPB?

- A. AFR and AFS since the station is CSG level “A”.
- B. FSR and AFS since total revenue is  $\geq$  \$300K.
- C. FSR and no AFS since NFFS is  $<$  \$300K.
- D. FSR and unaudited financial statements since NFFS is  $<$  \$300K.

## Question 2 - Answer



For FY2017, a radio station with CSG level “A” has total revenue of \$500K and NFFS of \$275K. What financial forms must the station submit to CPB?

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# Agenda



- Overview of Financial Reporting to CPB
- Overview of NFFS
  - Definition and purpose of NFFS
  - NFFS Criteria
- NFFS Exclusions
- NFFS Decision Charts



# What is NFFS?



**NFFS** is the total of direct revenue and the fair value of property and services received as either a **contribution** or a **payment**, which meets specific criteria as to: **recipient, form, source, and purpose.**

# Purpose of NFFS



- Determine Grantee's CSG program eligibility
- Factor in calculating incentive portion of CSG
- Part of the legal justification for CPB's federal appropriation

# NFFS Criteria



- Recipient
- Form
- Source
- Purpose

# NFFS: The Recipient Criterion



- Public broadcasting entity (PBE), or an organization that receives the revenue on its behalf
- Examples of PBEs:
  - CPB
  - licensee or permittee
  - nonprofit institution engaged primarily in the production, acquisition, distribution or dissemination of educational and cultural television or radio programs

# NFFS: The Form Criterion



- **Contributions**

- Grants
- Gifts or donations of cash, property, or services
- Bequests
- Appropriations from licensee (institutional stations)

- **Payments**

- Cash, property, or services in exchange for materials and services related to public broadcasting services

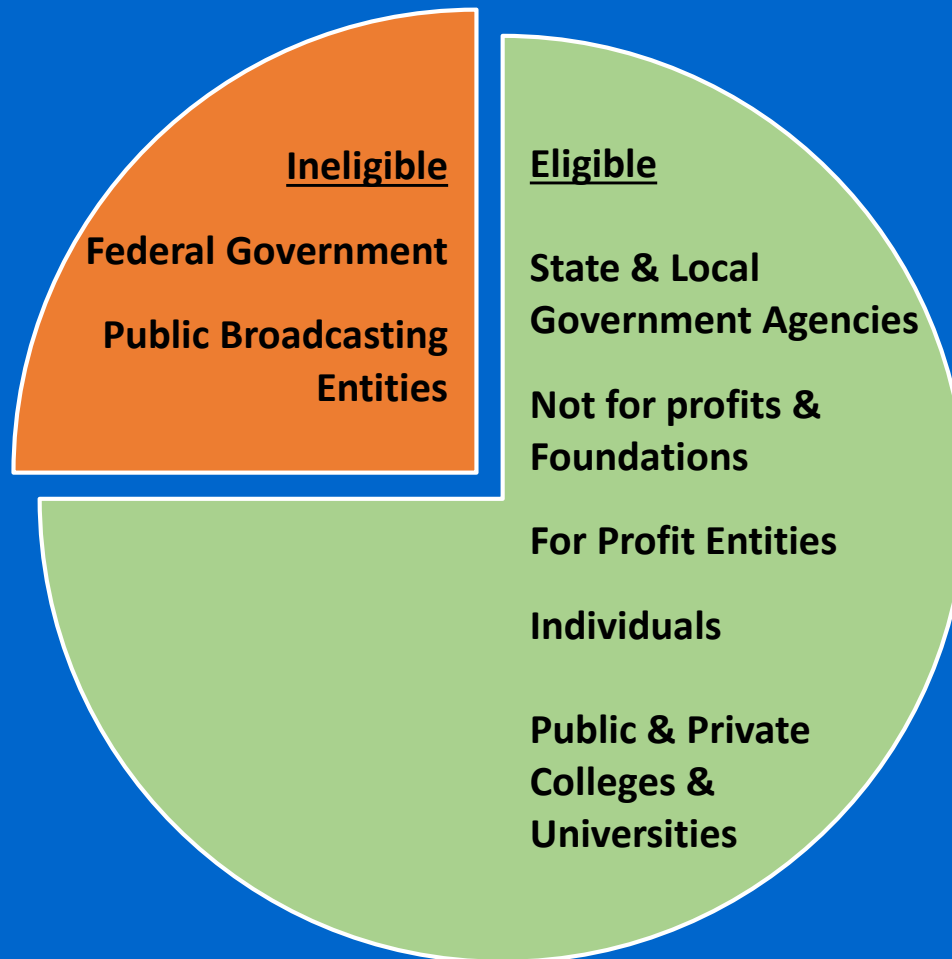
# NFFS: The Source Criterion



- **Contributions** may be from any source except:
  - The federal government or
  - Public broadcasting entities.
- **Payments** must be from:
  - State and local government agencies or
  - Educational institutions.

# NFFS: The Source Criterion

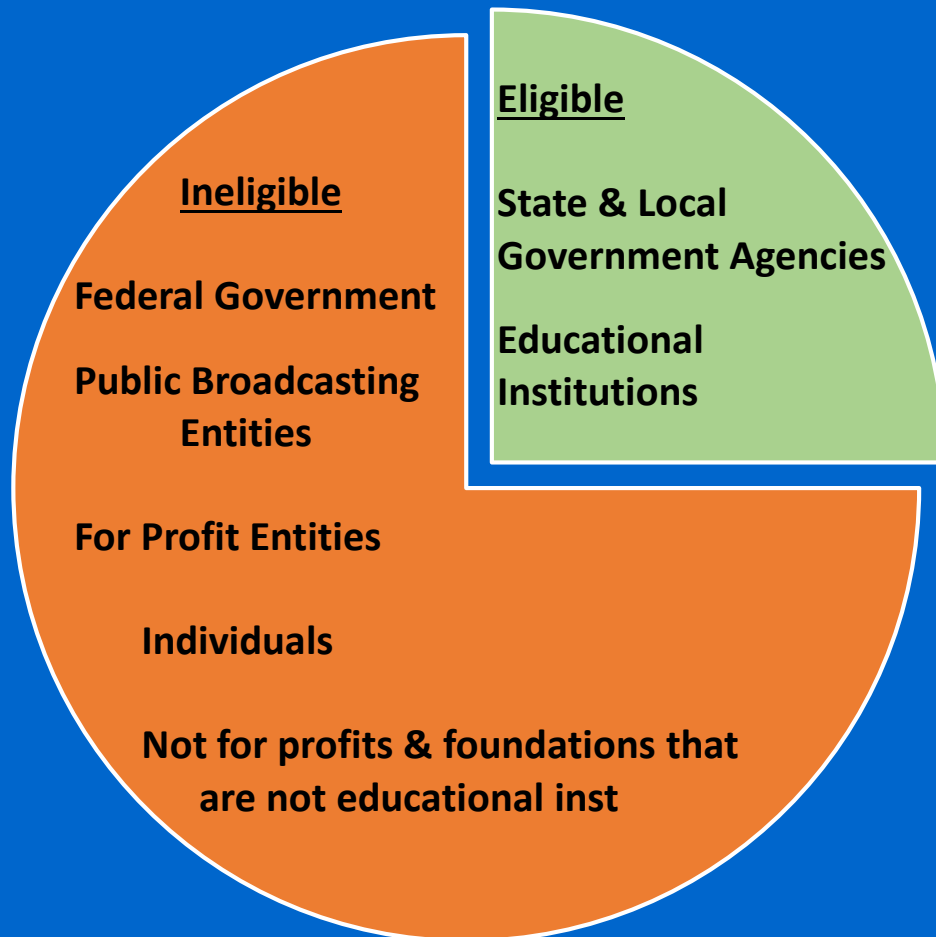
## Contributions



# NFFS: The Source Criterion



## Payments





# NFFS: The Purpose Criterion



- **Contributions** - purpose:
  - Construction or operation of a non-commercial, educational public broadcasting station, or
  - Production, acquisition, distribution, or dissemination of educational television or radio programs and related activities.
- **Payments** must be in exchange for:
  - Services directly related to producing, developing, or delivering educational or instructional television or radio programming.

# NFFS Criteria Summary



<b>NFFS Criteria</b>		
	<b>Contribution</b>	<b>Payment</b> (including Exchange Transactions)
<b>Recipient</b>	Public broadcasting entity or an organization that receives the revenue on its behalf	
<b>Form</b>	Gifts, grants, bequests, donations and appropriations	An appropriation or contract payment
<b>Source</b>	Any source except the federal government or a public broadcasting entity	State or local government or agency thereof; or an educational institution
<b>Purpose</b>	Construction or operation of a noncommercial, educational public broadcast station; or the production, acquisition, distribution, or dissemination of educational television or radio programs and related activities	The cash, goods and/or services received by the CSG recipient must be in exchange for a service directly related to producing, developing, or delivering educational or instructional television or radio programming.

## Q & A

### *Test Your Knowledge*

## Question 3



Which of the following statements are true?

- A. All revenues in a station's AFS qualify as NFFS.
- B. The four NFFS criteria are Recipient, Form, Source and Purpose.
- C. Revenue needs to meet only one NFFS criteria to be eligible as NFFS.
- D. CPB can add additional restrictions to NFFS.

## Question 3 - Answer



Which of the following statements are true?

- A. All revenues in a station's AFS qualify as NFFS.
- B. The four NFFS criteria are Recipient, Form, Source and Purpose.
- C. Revenue needs to meet only one NFFS criteria to be eligible as NFFS.
- D. CPB can add additional restrictions to NFFS.

## Question 4



A TV station received grants from USDOE, a state gov't agency, for-profit entity, foundation, and PBE for the production and distribution of educational television. Which statements are correct?

- A. All contributions for the purpose of production and distribution of educational television are NFFS eligible.
- B. Contributions from the USDOE, state gov't agency and public broadcasting entity are NFFS ineligible.
- C. Contributions from the foundation, state gov't agency and for-profit entity are NFFS eligible.

## Question 4 - Answer



A TV station received grants from USDOE, a state gov't agency, for-profit entity, foundation, and PBE for the production and distribution of educational television. Which statements are correct?

- A. All contributions for the purpose of production and distribution of educational television are NFFS eligible.
- B. Contributions from the USDOE, state gov't agency and public broadcasting entity are NFFS ineligible.
- C. Contributions from the foundation, state gov't agency and for-profit entity are NFFS eligible.

## Question 5



A Radio station received payments for rental of excess tower capacity to the local government and to a private business. Which statements are correct?

- A. Payment from the local government is NFFS eligible and private business is NFFS ineligible.
- B. Payments from both sources are NFFS ineligible.
- C. Payments from both sources are NFFS eligible.



## Question 5 - Answer



A Radio station received payments for rental of excess tower capacity to the local government and to a private business. Which statements are correct?

- A. Payment from the local government is NFFS eligible and private business is NFFS ineligible.
- B. Payments from both sources are NFFS ineligible.
- C. Payments from both sources are NFFS eligible.

# Submitting Questions



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# Agenda



- Overview of Financial Reporting to CPB
- Overview of NFFS
- NFFS Exclusions
  - Direct Revenues Exclusions
  - In-Kind Contributions Exclusions
  - Source Criterion Exception
- NFFS Decision Charts

# NFFS Exclusions: Direct Revenues



- Federal funds
- Funds from CPB and other PBEs
- Quid Pro Quo contributions – high-end Premiums
- Funds derived from subsidiary enterprises unrelated to public broadcasting
- Spectrum auction related revenues
- Presenting station fees
- GASB 68 (net pension liability adjustments)

# NFFS Exclusions: Direct Revenues



- Capital Funds (TV grantees only)
- Gains from sale of property & equipment
- Realized & unrealized investment gains & losses
- Rental revenue
- Advertising
- Refunds and rebates
- Unrelated Business Income (UBI)

# NFFS Exclusions: In-kind Contributions

- Certain in-kind contributions are NFFS-ineligible:
  - Third party production payments
  - Contributions in quid pro quo transactions
  - Non-professional volunteer services
  - Prerecorded compact discs, records, tapes, cassettes, and film libraries
  - Fundraising related activities

# NFFS Exclusions: In-kind Contributions

- Certain in-kind contributions are NFFS-ineligible:
  - Promotional items
  - Local productions
  - Programs that are nationally distributed
  - Program supplements
  - ITV or educational radio outside the allowable scope of approved activities
  - **TV Grantees only** – in-kind contributions of capital assets

# Source Criterion Exception & Exclusion: Institutional Stations



- **In-kind contributions from a licensee are ineligible as NFFS.**
- However, an **institutional station** can include as NFFS the following:
  - Direct revenues
    - Appropriations from the licensee
    - Expenses incurred or absorbed by the licensee specifically for the station
  - Indirect administrative support (IAS)



## Q & A

### *Test Your Knowledge*

## Question 6



Which of the following in-kind contributions received by a station are eligible for NFFS?  
(Assume the 4 NFFS criteria are all met)

- A. Fundraising-related activities
- B. Local productions
- C. Promotional items
- D. Program supplements
- E. None of the above

## Question 6 - Answer



Answer (E): None of the above.

See list of policy exclusions per **the Financial Reporting Guidelines.**

## Question 7



A station received an in-kind contribution of new equipment from a local business with FMV of \$10,000. Is this in-kind contribution NFFS eligible?

- A. Yes
- B. No
- C. It depends

# Question 7 - Answer



- Answer (C)-It depends
- **For TV stations** -donated equipment is NFFS ineligible (per the **Financial Reporting Guidelines**).
- **For Radio stations** -donated equipment is NFFS eligible.

# Submitting Questions



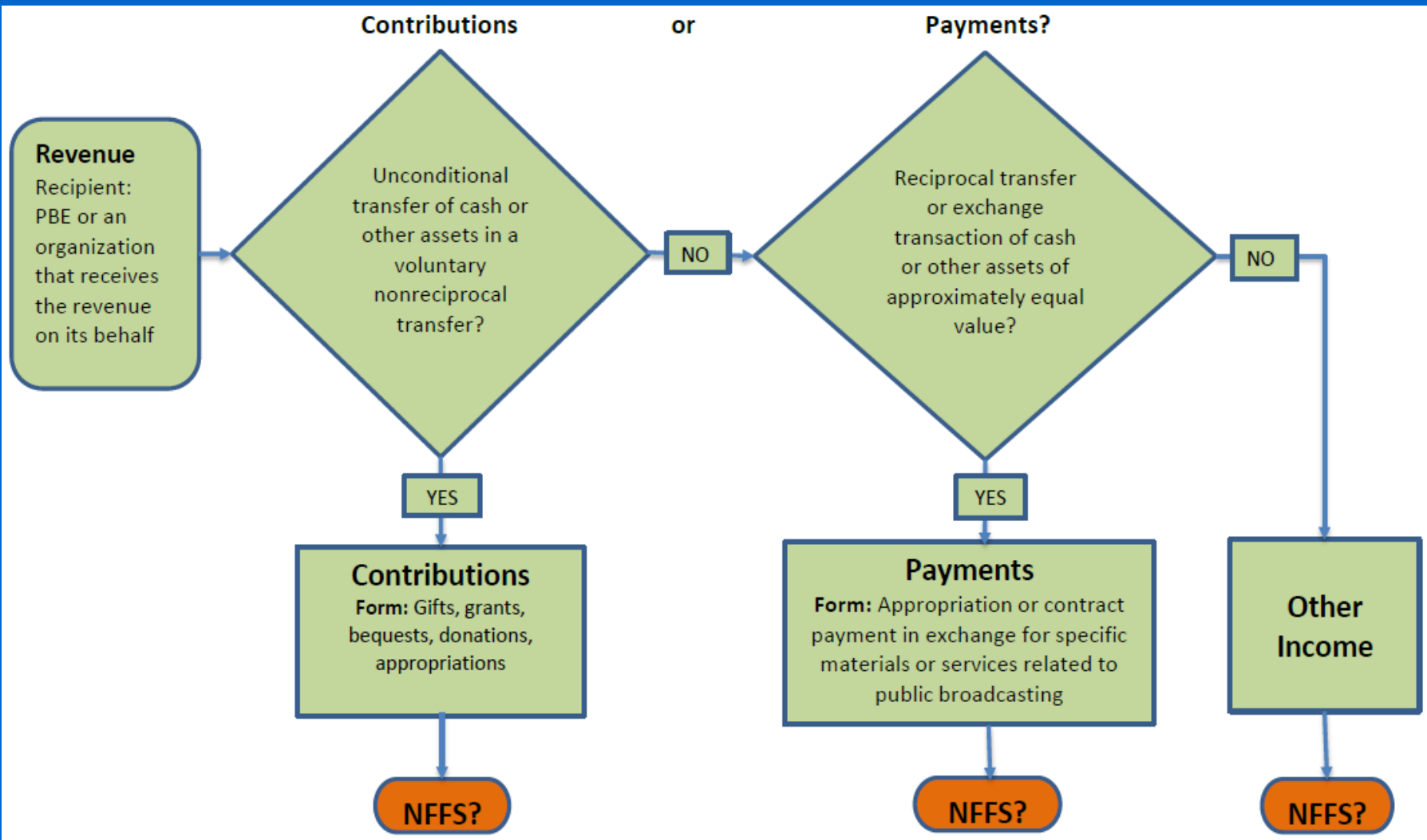
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# Agenda



- Overview of Financial Reporting to CPB
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- NFFS Exclusions
- NFFS Decision Charts
  - [https://www.cpb.org/files/stations/training/NFFS\\_Decision\\_Charts.pdf](https://www.cpb.org/files/stations/training/NFFS_Decision_Charts.pdf)

# NFFS Decision Chart





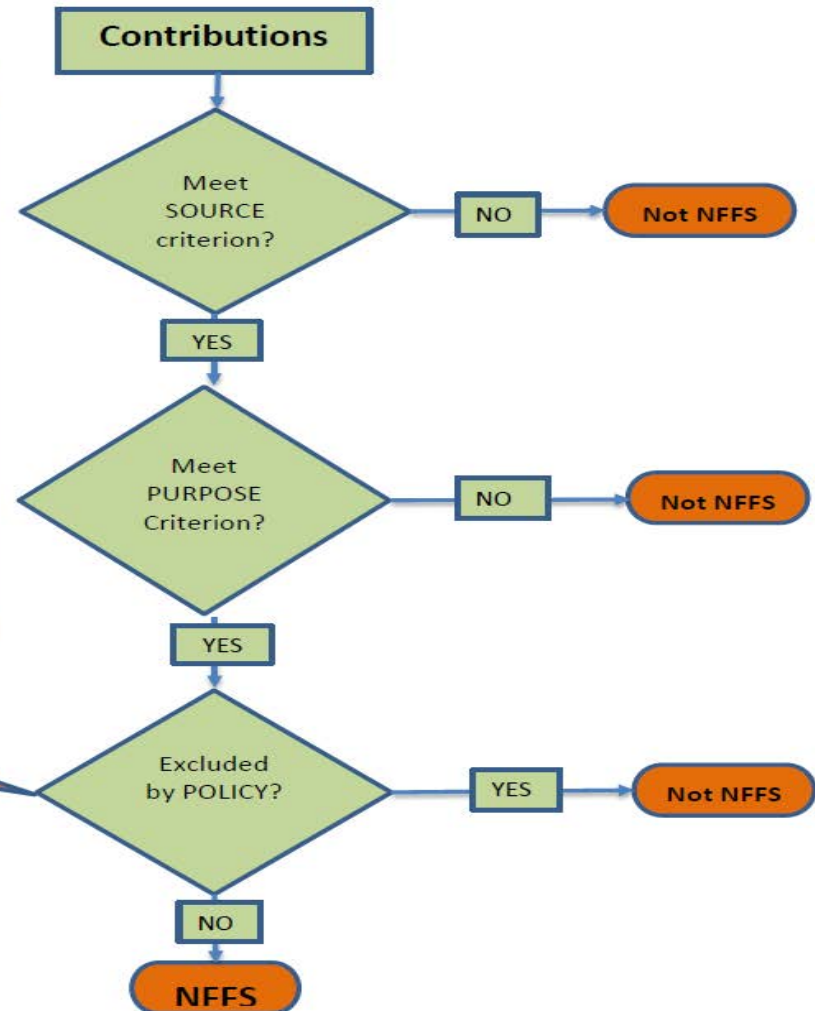
# Contributions Decision Chart

## In-kind Contributions Excluded from NFFS

- Quid pro quo exchange transactions
- Non-professional volunteer services
- Pre-recorded compact discs, records, tapes and cassettes
- Fundraising related activities
- ITV or educational radio outside the allowable scope of approved activities
- Local Productions
- Program supplements
- Programs that are nationally distributed
- Promotional items
- Regional Organization allocations of program services
- TV Grantees -Direct and in-kind contributions of capital assets

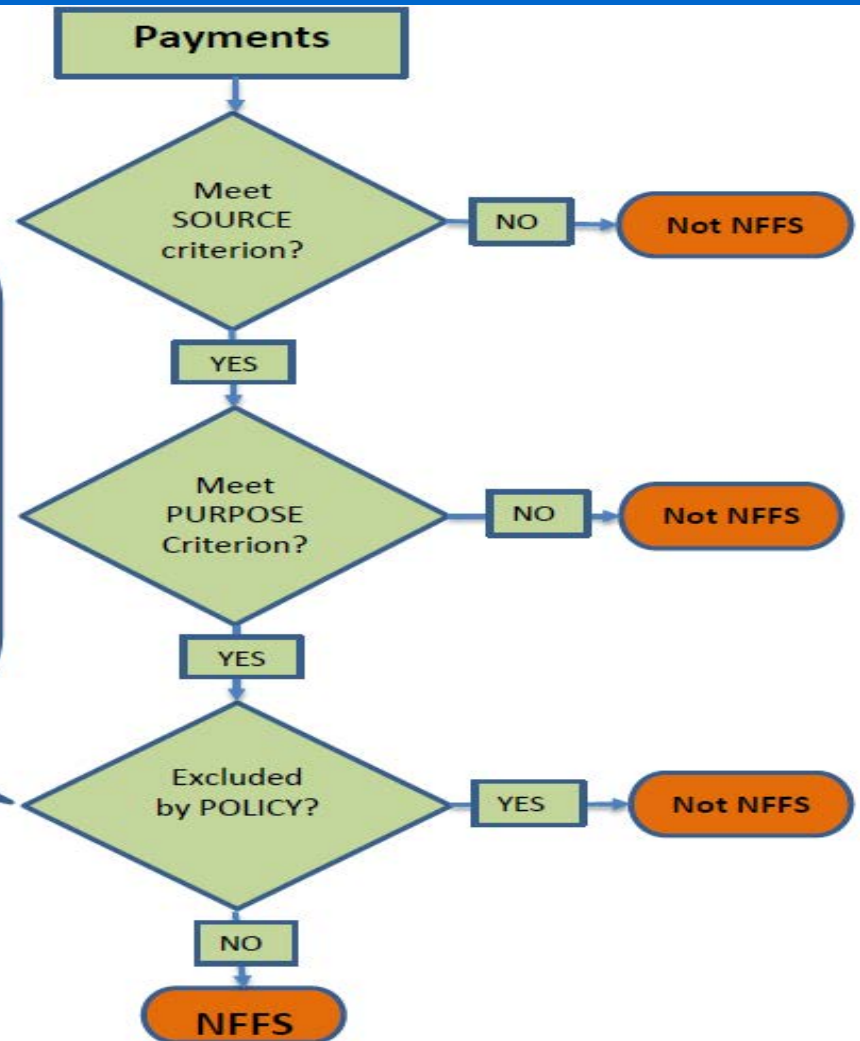
## Direct Revenues

- FMV of High-end premiums
- GASB 68 Net Pension Liability Adjustments, if applicable

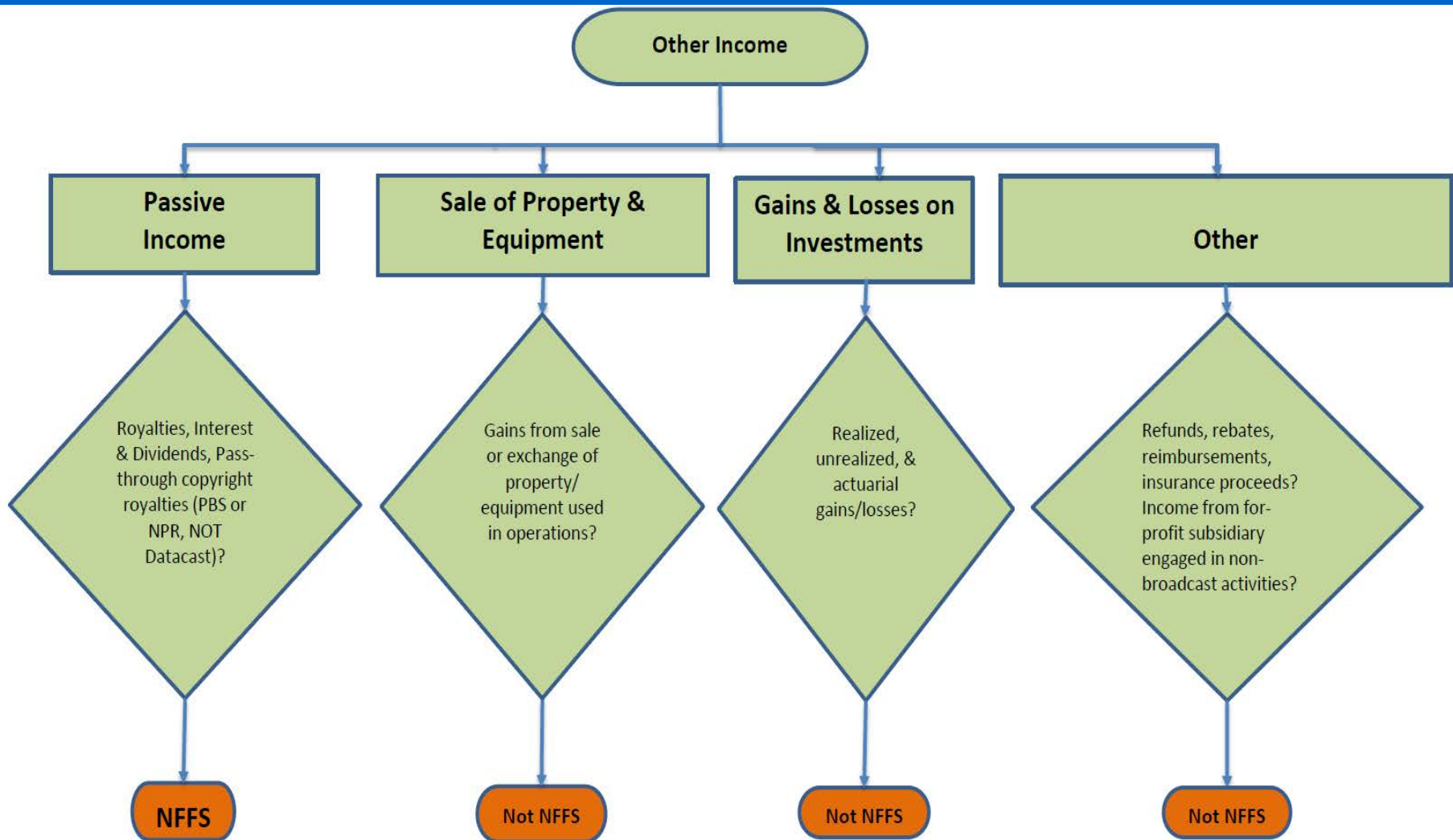


# Payments Criteria

- Payments Excluded from NFFS**
- Sales of premiums
  - Sales of program guides
  - Unrelated business income as reported on federal form 990T
  - Revenue from ITV or educational radio outside the allowable scope of approved activities
  - Spectrum auction revenues including interest & dividends earned and/or received
  - Presenting Station fees



# Other Income Criteria



# NFFS Criteria Summary



<b>NFFS Criteria</b>		
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<b>Recipient</b>	Public broadcasting entity or an organization that receives the revenue on its behalf	
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## Q & A

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## Question 8



A TV station received revenue from an insurance reimbursement and sale of various station logo products. Which statements are correct?

- A. The revenue from the insurance reimbursement is NFFS eligible since it was for replacement of damaged broadcast equipment.
- B. The revenue from sale of various station logo products are NFFS eligible.
- C. Both are NFFS ineligible.

## Question 8 - Answer



A TV station received revenue from an insurance reimbursement and sale of various station logo products. Which statements are correct?

- A. The revenue from the insurance reimbursement is NFFS eligible as NFFS since it was for replacement of damaged broadcast equipment.
- B. The revenues from sale of various station logo products are NFFS eligible.
- C. Both are NFFS ineligible.

## Question 9



A TV station received a membership donation of \$750 and the station gave the donor tickets to a local theatre performance with a FMV of \$150, a high-end premium. Which statements are correct?

- A. Donation of \$750 is membership revenue and the entire amount is NFFS eligible.
- B. Donation of \$750 is membership revenue, but only \$600 is NFFS eligible.
- C. Only the net donation of \$600 is membership revenue and NFFS eligible.



## Question 9 - Answer



A TV station received a membership donation of \$750 and the station gave the donor tickets to a local theatre performance with a FMV of \$150, a high-end premium. Which statements are correct?

- A. Donation of \$750 is membership revenue and the entire amount is NFFS eligible.
- B. Donation of \$750 is membership revenue, but only \$600 is NFFS eligible.
- C. Only the net donation of \$600 is membership revenue and NFFS eligible.

# Question 10



A TV station received the following revenue:

- CPB CSG grant of \$100,000
- spectrum auction proceeds of \$1,000,000
- underwriting of \$65,000
- gifts for facilities and equipment of \$150,000
- membership contributions of \$50,000
- fundraising revenue of \$25,000 (direct expenses of \$10,000)

What is the correct total NFFS?

- A. \$290,000
- B. \$130,000
- C. \$300,000
- D. \$400,000

# Question 10 - Answer



Answer (B) – Total NFFS is \$130,000.

## NFFS Eligible:

- underwriting of \$65,000
- membership contributions of \$50,000
- net fundraising revenue of \$15,000 (net of direct expenses)

## NFFS Ineligible:

- CPB CSG grant of \$100,000
- spectrum auction proceeds \$1,000,000
- gifts for facilities and equipment of \$150,000

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# Completed Agenda



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# Completed Training Objectives



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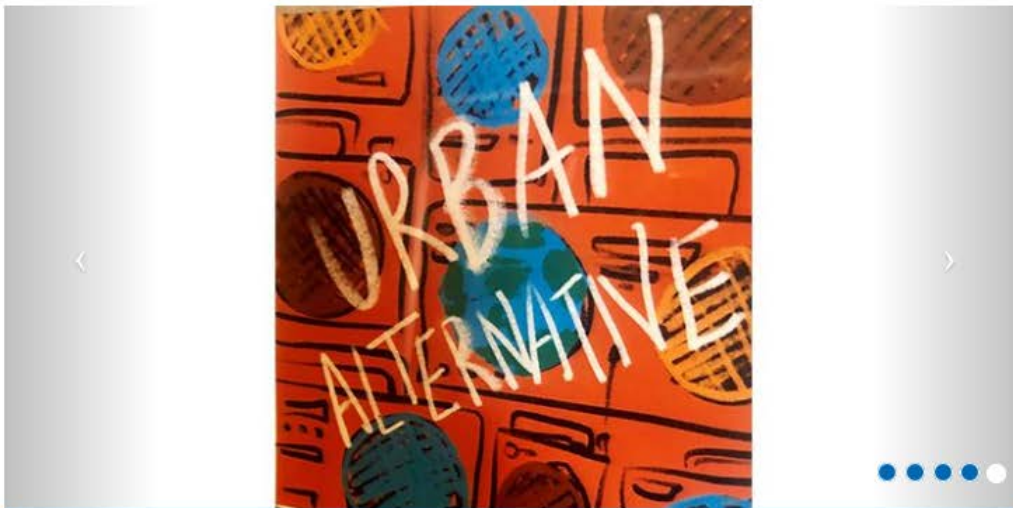
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Jobline



Stations



Programs  
& Projects

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Live Webinar Training  
October 11, 2018