

Corporation for Public Broadcasting
Message from the Inspector General



January 2025

Station Officials,

I am writing to advise you that we continue to find Non-Federal Financial Support (NFFS) reporting errors and Communications Act violations during our station audits and evaluations. Awareness of the errors identified should help you ensure that you are compliant with Communications Act requirements and accurately report your financial information to the Corporation for Public Broadcasting (CPB).

In fiscal year 2024, we issued 15 reports to CPB grantees. We audited more than \$47 million of reported NFFS revenue and identified over \$2.5 million in overstated NFFS. This overreporting resulted in excess Community Service Grants (CSG) payments of \$327,228. An error in a station's NFFS reporting affects not only that station's CSG award but also the pool of CSG funds available to all the other eligible stations. Accurate NFFS reporting is critical to permit CPB to distribute the CSG funds equitably. Inaccurate reporting also can subject your station to penalties. Last year, CPB imposed about \$311,915 in penalties on stations for misreporting NFFS information or for Communications Act noncompliance. The penalties were all based on findings from our station audits and evaluations.

Some of the findings we identified this past year are listed below. To read our audit reports, go to our website at <https://cpboig.oversight.gov/reports>

NFFS Reporting Errors

Revenues improperly claimed as NFFS include:

- ineligible special fundraising;
- TV capital contributions
- ineligible payments for exchange transactions; and
- incorrect premium offsets against membership revenues.

Please review NFFS reporting guidelines at [FY 2024 Financial Reporting Guidelines \(cpb.org\)](https://www.cpb.org/fy-2024-financial-reporting-guidelines) for questions on NFFS, please contact CPB at csg@cpb.org.

Communications Act Noncompliance

We also found stations that were not fully compliant with the Communications Act and grant requirements to:

- post their most recent Annual Financial Report and financial statement audit on their website;
- give seven-day advance notice for each of their board and committee meetings; and

- make available to the public on a timely basis the reasons for closing some meetings.

For more information on Communications Act compliance please review CPB's website at [Communications Act Compliance | CPB](#).

OIG Initiatives

I also want to inform you that we will be undertaking a new initiative in addition to our station audits and transparency evaluations for fiscal year 2025 to further address station accountability. Specifically, we will be conducting unannounced limited scope evaluations of the Open Financial Records requirements set forth in the [Communications Act](#) and required by CPB. Stations are required to -

Make available to the public their annual financial and audit reports and other financial information they are required to provide to CPB. CPB also requires that each CSG recipient post the following documents on its station website:

- A. its most recent audited financial statement or un-audited financial statement for stations exempt from providing audited financial statements; and*
- B. its most recent annual financial report (AFR) or annual financial summary report (FSR) (whichever is applicable).*

These limited scope evaluations will be conducted in accordance with the Council of the Inspectors General on Integrity and Efficiency *Quality Standards for Inspection and Evaluation*.

These engagements will begin in FY 2025 and will continue throughout the fiscal year. We further intend to evaluate the Community Representation Statements, in our other audits and evaluations. If your station is selected for one of these evaluations, we will share our initial findings with you before preparing a draft and final report to afford you ample opportunity to respond to our findings.

Sincerely,
Kimberly A. Howell
Inspector General

To report suspected fraud, waste, or abuse, please contact our hotline:
<https://cpboig.oversight.gov/hotline>; oigemail@cpb.org or 800-599-2170. For questions, please contact us at oigquestions@cpb.org.