

American Brain Foundation
Board of Directors Meeting Materials
for
December 17, 2015

Prepared by Suzi Sherman

Agenda



Board of Directors
December 17, 2015
10:00 a.m. EST/9:00 a.m. CST/8:00 a.m. MST/7:00 a.m. PST

Webinar link: <https://cc.readytalk.com/r/8qcxqt5jx6ls&eom>
Call-in number: 866-740-1260
Access code: 1952779

[Committee] Members

Kevin Goodno; A. Gordon Smith, MD; Terrence Cascino, MD; Lisa Shulman, MD; Ralph Józefowicz, MD; Thomas Swift, MD; Jeffrey Rosenfeld, MD; John Mazziotta, MD; Orly Avitzur, MD; Robert Griggs, MD; Jane Ransom; Catherine Rydell

Staff

Tim Engel; John Hutchins; Lauren Ross; Suzi Sherman; Marlys Weyandt; Chloe Walbruch

| | AGENDA ITEM *Signifies Board action needed | PRESENTED BY |
|---------------------|--|--|
| 9:00 a.m. CST | American Brain Foundation Board of Directors Meeting Call to Order | Kevin Goodno, Board Chair |
| 9:05 | Board Chair Report <ul style="list-style-type: none"> Review meeting agenda Approve Minutes from November 12, 2015 Call for Disclosure of Conflict of Interest related to any agenda items | Kevin Goodno |
| 9:10 | Bylaws Amendment <ul style="list-style-type: none"> Revise bylaws to allow for Neurology Now Editor-In-Chief to designate a substitute to serve on ABF Board, subject to Board approval.* | Kevin Goodno |
| 9:15 | Executive Director Report <ul style="list-style-type: none"> Update on ABF operations 2016 Operations Plan, Budget Priorities and Goals | Jane Ransom |
| 9:30 | Financial Report <i>Objective:</i> <ul style="list-style-type: none"> Review 2015 Budget Forecast Proposed 2016 Budget | Ralph Józefowicz, MD / Timothy Engel, CFO |
| 9:45 | Committee Reports <ul style="list-style-type: none"> Executive Committee Strategic Planning Committee Governance Committee Research Advisory Committee | Committee Chairs |
| 10:00 | Adjourn | Kevin Goodno |

**American Brain Foundation
Board of Directors Meeting
Thursday, November 12, 2015
Held via Teleconference**

Call to Order: Thursday, November 12, 2015 at 9:00 a.m. (Central) by Kevin P. Goodno, JD, Chair. A quorum was present towards the end of the meeting.

In Attendance: Kevin P. Goodno, JD, Chair; Terrence L. Cascino, MD, FAAN; Ralph Józefowicz, MD, FAAN; Lisa M. Shulman, MD, FAAN; A. Gordon Smith, MD, FAAN; Thomas R. Swift, MD, FAAN; Jane Ransom;

Staff: Timothy Engel, CPA, CFO; John Hutchins, JD, General Counsel; Lauren Ross; Suzi Sherman; Marlys Weyandt, Chloe Walbruch

Excused: Orly Avitzur, MD, MBA, FAAN; Robert C. Griggs, MD, FAAN; John C. Mazziotta, MD, PhD, FAAN; Jeffrey Rosenfeld, MD, FAAN; Catherine Rydell, CAE

Mr. Goodno welcomed everyone and discussed the agenda for the meeting. Mr. Goodno asked if there were any conflicts of interest and none were indicated.

1. Minutes: Minutes from September 18, 2015 and September 25, 2015 BOD meeting reviewed.

MOTION to approve the ABF BOD minutes from September 18 and 25, 2015. **Approved** (Unanimous).

2. Establishment of ad hoc Strategic Planning Committee

MOTION to approve establishment of Strategic Planning Committee **Approved** (Unanimous).

3. Board election: Recommendation from Mr. Goodno and Ms. Ransom to elect Ben Utecht and Martin Shenkman to the Board of Directors.

MOTION to elect Ben Utecht and Martin Shenkman to the ABF Board of Directors effective January 1, 2016 **Approved** (Unanimous).

Recommendation to change the bylaws to allow the *Neurology Now* editor-in-chief or a Board appointed designee sit on the Board of Directors. Updated bylaws will be presented to the Governance Committee in December for review and approval.

4. Financial Report: Dr. Józefowicz and Mr. Engel provided an update on the

1 financial status of the ABF and presented the 2015 year end forecast with a
2 \$203K net increase. Primary sources for the net positive variance include
3 delayed staff additions and less travel was conducted than what was budgeted.
4 The 2016 budget will be presented to the Board in December.

5 **MOTION** to approve the ABF's 990 for the IRS **Approved** (Unanimous).
6

7 **5. Executive Director Report:** Ms. Ransom provided an update on the
8 operations of the ABF and highlighted three fundraising efforts taking place
9 before the end of the year:

- 8 1. Standing Strong
- 10 2. Employee Giving Campaign
- 11 3. Year End campaign

12 Ms. Ransom also discussed the increase in website traffic due to the PBS series
13 sponsorship – nearly tripled and shared that the ABF is partnering with American
14 Airlines to create a video that will be played on all AA flights in February and
15 March, 2016. Ms. Ransom also shared that the ABF is on the cusp of securing
16 Bob Woodruff, who suffered a TBI while in Iraq, for the 2016 PLINA and has been
17 in touch with Robin Williams' wife, Susan, who has committed to attend the
18 Commitment to Cures event at the Annual Meeting where she will be presented
19 with an award.
20

21 **6. Committee Reports:** Each committee chair provided an update about their
22 committee.

23 **Strategic Planning Committee:** Dr. Shulman provided an update about
24 the SPC. They had a kick-off meeting where they reviewed and approved
25 the purpose of the committee and agreed they were on a 5 year timeline.
26 The committee also reviewed the problem statement presented at the
27 retreat and provided feedback.

28 **Governance Committee:** Mr. Goodno shared the Governance Committee
29 will hold its first meeting in early December. The purpose of the committee
30 is to recruit new public board members and also review the governance
31 structure and bylaws. Updated bylaws will be presented to the board in
32 December for approval.

33 **Research Advisory Committee:** Ms. Ransom shared that the committee
34 met in September and started to discuss what kind of targeted research the
35 ABF should fund. Ms. Ransom and Dr. Griggs will attend the FL
36 Breakthroughs Conference in to present to the Science Committee what the
37 RAC is doing and discuss partnership opportunities.
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40 **Meeting adjourned at 10:00 a.m. (Central).**
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MEMORANDUM

To: American Brain Foundation (ABF) Board of Directors
From: ABF Governance Committee
Date: December 11, 2015
Subject: Bylaws Amendment

1. Issue. Consider amending the bylaws to allow the Editor-in-Chief of *Neurology Now*, an ex officio voting member of the ABF Board, to recommend a designee to serve on the Board instead of the Editor-in-Chief, with approval of a majority of the Board.

2. Proposed motion. *MOTION* to approve the amended bylaws as recommended by the Governance Committee.

3. Background information. Dr. Orly Avitzur, Editor-in-Chief of *Neurology Now*, has respectfully declined service on the ABF Board of Directors given her commitments, which include *Neurology Now*, the AAN Board of Directors, Chair of AAN's Medical Economics Committee, and medical advisor to Consumer Reports. Dr. Avitzur has recommended Dr. Joe Sirven, Associate Editor of *Neurology Now*, to take her place, if the ABF agrees. The ABF Governance Committee reviewed this request on their December 2, 2015, call and are recommending an amendment to the ABF bylaws to address this situation.

If approved by the Board, the Governance Committee will review and vet Dr. Avitzur's recommended designee, and, if approved by the Committee, will bring to the Board for approval.

4. Comments from Chief Financial Officer concerning fiscal impact. Approval of motion is not expected to impact ABF's financial position.

5. Comments from General Counsel concerning legal and policy implications. The bylaws may be amended at any regular or special meeting of the Board of Directors by the affirmative vote of two-thirds of all of the voting members of the Board.

6. Enclosures. Bylaws with track changes.

7. Executive Director's recommendation.

AMERICAN BRAIN FOUNDATION BYLAWS

March 16, 2015

ARTICLE I Name and Seal

Section 1. The name of the corporation is the American Brain Foundation (“Foundation”).

Section 2. The Foundation has no corporate seal.

ARTICLE II Mission

The American Brain Foundation supports vital research & education to discover causes, improved treatments, and cures for brain and other nervous system diseases.

ARTICLE III Members

The Foundation has no members.

ARTICLE IV Management

Section 1. Board of Directors. The general management, control and direction of the property and affairs of the Foundation is vested in a Board of Directors, which shall be comprised of at least five and no more than twenty-one members (“Directors”), as determined from time to time by affirmative vote of a majority of the Board.

- a) The Board of Directors shall be comprised of Regular Directors and ex-officio members. Directors may be members of the public or members of the American Academy of Neurology (“AAN”).
- b) Ex-officio Directors shall include the chair of the Foundation’s Research Advisory Committee, the President of the AAN, and the Editor-in-Chief of *Neurology Now* or the Editor-in-Chief’s designee if approved by affirmative vote of a majority of the Board, all of whom shall have full voting rights. Additionally, the President-Elect of the AAN, Executive Director of the Foundation, and the Executive Director of the AAN shall serve as ex officio, non-voting members of the Board.
- c) Regular Directors shall be elected by the affirmative vote of two-thirds of the Board members from a list of nominees submitted by the Foundation Governance Committee.
- d) All Directors have voting rights except the Executive Director of the Foundation and the Executive Director of the AAN. Voting/non-voting designations extend to Directors’ service on standing committees of the Foundation.

Section 2. Honorary Directors. At any regular meeting of the Board of Directors, the Board may elect a person of prominence who has exhibited outstanding commitment to the mission of the Foundation to serve as an Honorary Director and may designate one Honorary Director as the Honorary Chair. Honorary Directors shall serve at the pleasure of the Board. Honorary Directors may resign at any time with written notice to the Chair. Honorary Directors are not Directors within the meaning of the Minnesota Nonprofit Corporation Act and these bylaws and are not subject to the duties assigned thereby to Directors. Honorary Directors shall not be counted in determining the presence of a quorum at meetings of the Board and are not required to attend Board meetings or any meetings of standing committees.

Section 3. Terms of Office.

- a) The Regular Directors shall be elected for a two-year term, which may be renewed twice by election. The term of each ex officio Director shall coincide with the term in which they hold their office. Officers of the Board of Directors may be elected to serve a term(s) beyond the six years served as Director.
- b) If a Director ceases to be a Director during the term, whether by death, resignation, removal, incapacity to act or otherwise, a successor shall be promptly elected by the Board of Directors, upon nomination by the Foundation Governance Committee, to serve for the remainder of the unexpired term and until the election and qualification of a successor. This partial term counts as one of three potential terms of appointment for any successor approved as Director if the partial term is more than one year.
- c) Any Director may resign with written notice to the Chair. If any Director is absent from three consecutive Board of Directors' meetings, such absence, if unexcused, is deemed a resignation and the vacancy so caused shall be filled as provided in these bylaws.

Section 4. Removal from Office. Any member of the Board of Directors elected by the Board may be removed from office by the affirmative vote of two-thirds of the Board members whenever, in their judgment, the removal will serve the best interests of the Foundation.

Section 5. Meetings. The Board of Directors shall meet at least three times annually, and at least twice yearly in-person. Special meetings of the Board may be called by the Chair or at the written request of five members of the Board addressed to the Secretary with not less than twenty calendar days' notice. Whenever any notice is required to be given under the provisions of applicable law, or of these bylaws, the notice need not be given to any person who submits a signed waiver of the notice, whether before or after the meeting, or who attends the meeting without protesting, prior to the meeting or at its commencement.

Section 6. Quorum. A majority of the voting members of the Board of Directors constitutes a quorum for the transaction of business at meetings of the Board. In the absence of a quorum, a majority of those present at the time and place set for the meeting of the Board may adjourn from time to time until a quorum is present. Proxies shall not be used to vote on motions at meetings.

Section 7. Conflict of Interest. Each Director and committee member of the Foundation shall disclose, in good faith, any conflict of interest which may interfere with their disinterested participation in the affairs of the Foundation. At any meeting, when any contract or other transaction is under consideration, concerning which any Director(s) or committee member(s)

have a conflict of interest, the transaction shall be managed in accordance with applicable law and Foundation policy.

Section 8. Executive Director. The Board of Directors shall employ an Executive Director, determine the duties and salary of the Executive Director, and establish the policies pertaining to that office.

Section 9. Audit. At the end of each fiscal year, the accounts of the Treasurer and all supporting accounts which the Board of Directors may authorize to be kept under the Treasurer's direction shall be audited by a firm of disinterested public accountants. The report of the audit shall be submitted to the Board of Directors.

Section 10. Policies. The Board of Directors may adopt policies, which may be amended or revised from time to time, but shall not be inconsistent with the Articles of Incorporation or these bylaws.

ARTICLE V Officers

Section 1. Officers.

- a) The officers of the Foundation shall be a Chair, the Immediate Past-Chair, Vice Chair, a Secretary and a Treasurer, all of whom shall be Directors of the Foundation.
- b) The officers shall be elected by the affirmative vote of two-thirds of the Board members from a list of nominees submitted by the Foundation Governance Committee.
- c) All officers hold office at the pleasure of the Board of Directors, or until their respective successors have been elected.

Section 2. Vacancy. A vacancy in any office, because of death, resignation, removal, disqualification or otherwise, shall be filled for the unexpired term at any time by the affirmative vote of two-thirds of the Board members from a list of nominees submitted by the Foundation Governance Committee.

Section 3. Chair. The Chair presides at all meetings of the Board. Unless otherwise noted in these Bylaws, the Chair appoints all committees and is an ex officio member of each. In the absence or disability of the Chair and the Vice-Chair, another member of the Board may be appointed by the Board to discharge the Chair's functions.

Section 4. Immediate Past-Chair. The Immediate Past-Chair shall perform the duties as may be assigned by the Chair or by the Board of Directors.

Section 5. Vice Chair. The Vice-Chair shall perform the duties as may be assigned by the Chair or by the Board of Directors.

Section 6. Secretary. The Secretary shall perform the duties as may be assigned by the Chair or the Board of Directors.

Section 7. Treasurer. The Treasurer shall perform the duties as may be assigned by the Chair or the Board of Directors and as prescribed by MN law.

Section 8. Officer Length of Terms. Officers shall serve for one two-year term, which may be renewed consecutively for one additional two-year term.

ARTICLE VI Committees

Section 1. The Board of Directors may establish or terminate standing, special, or ad hoc committees of the Foundation as the Board determines necessary. Unless otherwise described in these Bylaws, the Chair shall appoint and may remove the members of each standing, special, or ad hoc committee. Standing committees include:

- a) **Executive Committee.** The Executive Committee shall include the Chair, Immediate Past-Chair, Vice-Chair, Secretary, Treasurer, and no more than three other members of the Board as appointed by the Chair. The Chair of the Board shall be the Chair of the Executive Committee. Meetings may be conducted by group meetings, conference call, or other electronic means of communication. Between meetings of the Board, the Board's power is delegated to the Executive Committee. The Executive Committee shall report its activity to the Board.
- b) **Governance Committee.** The Chair shall appoint a Governance Committee that includes no fewer than three members of the Board. The Chair shall appoint a chair of the Governance Committee. Terms of the Governance Committee members run concurrently with the member's term on the Board of Directors. Terms of the Committee members should be staggered when possible. The Governance Committee shall be responsible for oversight of the governance policies and practices of the Board of Directors; for making recommendations to the Board to improve governance policies and practices; for assessing the effectiveness of the Board and its members and committees; for recommending candidates for service as members of the Board; for nominating candidates for election as officers or directors of the Board; and for other nominations or recommendations as may be required by the Board from time to time. The Governance Committee may request assistance from the Foundation's staff and may seek outside consultation or professional assistance in the performance of its duties.
- c) **Research Advisory Committee.** The Chair shall appoint a Research Advisory Committee that includes no fewer than nine voting members and is comprised of members of the AAN and other researchers, scientists or clinicians in the field of neurology. The Chair shall appoint a chair of the Research Advisory Committee. The chair of the Research Advisory Committee may recommend candidates for service as members of the Research Advisory Committee. The Research Advisory Committee will make recommendations to the Board of Directors regarding the research funding priorities of the Foundation, including which research projects should be funded by the Foundation. Members of the Research Advisory Committee serve for a two-year term, which may be renewed twice by the Board of Directors.

Section 2. All committees possess advisory powers only, except in cases where power to act is expressly delegated by the Board of Directors.

ARTICLE VII Miscellaneous

Section 1. General Fiscal Provisions.

- a) Any action to sell, lease, transfer, distribute, grant a security interest in or otherwise transfer all or substantially all of the Foundation's property or assets shall be approved by the affirmative vote of two-thirds of all of the members of the Board of Directors and in compliance with applicable legal requirements.
- b) The fiscal year of the Foundation is the calendar year.

Section 2. Indemnification.

- a) To the full extent permitted by any applicable law, subject to the limitations set forth in this Article VII, Section 2, the Foundation shall indemnify each person made or threatened to be made a party to any threatened, pending or completed civil, criminal, administrative, arbitration, or investigative proceeding, other than a proceeding by or in the right of the Foundation, against the expenditures set forth below, by reason of the former or present official capacity of the person with the Foundation. For the purposes of this section, "official capacity" means:
 - i. Any person who is or was a director, officer, appointee or other person authorized to act on behalf of or represent the Foundation, a member of a committee of the board, an employee or agent of the Foundation; or
 - ii. A director, officer, presidential appointee or other member authorized to act on behalf of or represent the Foundation, a member of a committee of the board, or an employee or agent of the Foundation, who while serving in this capacity, is or was serving another organization or employee benefit plan at the request of the Foundation.
- b) Indemnification of those acting in an official capacity is mandatory, if, with respect to the acts or omissions of the person complained of in the proceeding, the person:
 - i. Has not been indemnified by another organization or employee benefit plan for the same liability described in the preceding paragraph with respect to the same acts or omissions;
 - ii. Acted in good faith;
 - iii. Received no improper personal benefit and Minnesota Statutes Section 317A.255 regarding conflicts of interest has been satisfied;
 - iv. In the case of a criminal proceeding, did not have reasonable cause to believe the conduct was unlawful; and
 - v. In the case of acts or omissions occurring in the official capacity of an individual described in this Article VII Section 2 reasonably believed that the conduct was in the best interests of the Foundation, or in the case of acts or omissions occurring in the official capacity of an individual described this Article VII Section 2 reasonably believed that the conduct was not opposed to the best interests of the Foundation.

- c) A person acting in an official capacity who is eligible for mandatory indemnification is entitled to reimbursement by the Foundation of reasonable expenses in advance of the final disposition of a proceeding in accordance with, and to the full extent permitted by, any applicable law.
- d) The rights of indemnification provided in this section do not limit, but are in addition to, any other rights to which such person acting in an official capacity may otherwise be entitled by contract, law or statute, or otherwise; and in the event of such person's death, such rights extend to such person's heirs, legal representatives, or successors.
- e) Determination of eligibility for indemnification payments or advances are made in accord with Minnesota Statutes Section 317A.521.
- f) The Foundation, its directors and officers, are fully protected in making any determination under this section, or in making or refusing to make any payment under this section, in reliance upon the advice of counsel. The Foundation may, to the full extent permitted by applicable law, purchase and maintain insurance on behalf of any person who is or was a director, an officer or employee of the Foundation or a member of a committee of the Foundation against any liability asserted against such person in any such capacity.
- g) If any provision of this section is for any reason be determined to be invalid, the remaining provisions of this section are not affected and remain in full force and effect.

Section 3. Severability. Any determination that any provision of these bylaws is, for any reason, inapplicable, illegal, or ineffective shall not affect or invalidate any other provision of these bylaws.

Section 4. Governing Law. These bylaws and the policies of the Foundation, and any disputes involving the Foundation's bylaws and policies, shall be construed according to, and governed by, the law of the State of Minnesota.

ARTICLE VIII

Amendments

These bylaws may be altered, amended, or repealed or new bylaws may be adopted at any regular or special meeting of the Board of Directors by the affirmative vote of two-thirds of all of the voting members of the Board.

Adopted 10/31/91 and amended 5/6/94, 12/5/94, 4/13/97, 10/1/99, 11/22/99, 3/17/2000, 10/1/2000, 5/7/2001, 3/30/2003, 4/25/2004, 8/21/2004, 10/14/2005, 10/13/2006, 10/8/2010, 3/31/2011, 8/6/2012, 3/8/2013, and 3/16/2015.



TO: ABF Board of Directors

FROM: Jane Ransom

DATE: December 11, 2015

SUBJECT: Executive Director's Report

Since the last Board of Directors meeting ABF strategic planning activities have gone into high gear, our recommended budget for 2016 has been finalized, and we have held a major fundraising event in Minnesota. Below is my report on ABF activities. Attached please find strategic planning flow chart, fundraising report, website analytics report and draft 2016 operations plan.

STRATEGIC PLANNING

- **Strategic planning process revisited – with a focus on determining program and funding priorities, brand-building and the potential development of “signature project.”*** Please see attached flow chart representing our strategic planning process. Activities are underway to address all three critical issues to be addressed by our strategic plan:
 - **Program/Funding Agenda:** The Research Advisory Committee held its second meeting on Dec. 7. The central discussion was about how we could use the committee’s emerging menu of research funding opportunities in fundraising scenarios with individual donors.
 - **Philanthropic Assessment:** The ABF hired Carter Companies to spearhead the assessment and spent early December preparing for this study.
 - **Business Model:** Henrichs & Associates interviewed internal stakeholders (sample ABF/AAN leadership). It is now turning toward interviewing with its environmental scan of medical research foundations and voluntary health organizations in early November.
- **Development plan put in place in conjunction with strategic plan.*** A development plan will be one of the deliverables provided by Carter Companies at the conclusion of the philanthropic assessment.

FINANCE

- **2015 Performance.** The ABF is on track to end 2015 with a healthy surplus primarily because we did not hire as much staff as was projected in the budget. See Finance Report for further details.
- **2016 Budget.** The 2016 budget will be presented at the December 17th meeting of the Board. Major expenditures include:
 - Strategic planning
 - Greater investment in special events
 - Staff expansion
 - Marketing and website overhaul

FUND DEVELOPMENT

- **Development plan in place with goals for individuals and corporations.***
- The ABF's 2016 fund development goal is \$762,500 including AAN matching money. The development plan for FY15 was revised (with fundraising goals increased) and the plan for FY16 was completed in August as part of budgeting for next year.
- **Current fundraising levels maintained and investment agreement developed in partnership with AAN to cover remainder of the budget.*** The ABF is on track to maintain annual fundraising levels. Recent progress includes:
 - *Standing Strong* fundraising event grossed \$50,000, exceeding last year's event by almost \$20,000.
 - We are estimating \$80,000-100,000 raised in our short term major donor campaign toward the costs of strategic planning. We are awaiting written pledges from several people who have pledged verbally.
- Cash gifts and pledges received by 10/30/2015 are trending somewhat behind those received by the same time in 2014. Cash gifts received during 2015, including all payments made on pledges, are also trending slightly behind 2014. However, none of the funds raised from the *Standing Strong* fundraising event are included in this calculation, and nor are several major donor pledges which are expected to come in before the end of the year. (Please see attached fund development report.)
- **New Case for Support developed based on funding priorities.*** We are in the process of developing a test case for support to be used in interviews with donors during the feasibility study. The ABF Board will be asked to review and provide feedback on the test case statement in late December or early January.
- **Prospect Research.** A prospect researcher hired by the ABF for the months of November and December 2015 has begun providing lists of corporations and foundations where opportunities may exist for the ABF.

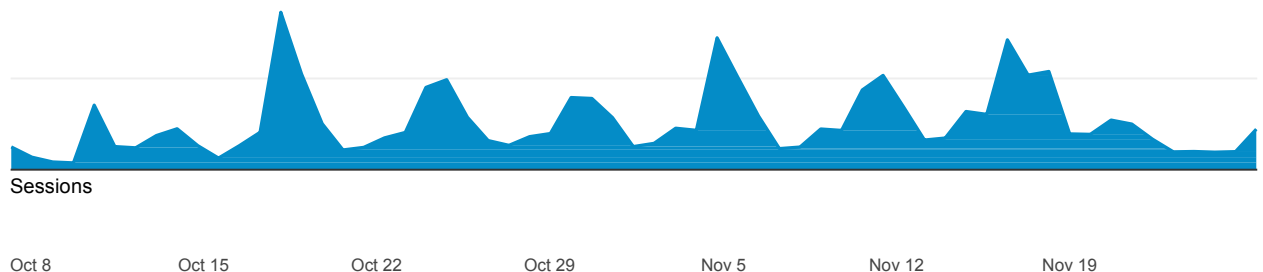
- **Ambassadors Program.**
 - **Ambassador plan in place with staff time designated to its execution.*** A proposal for rebooting the ABF Ambassadors Program is being written. It will be shared with AAN staff leadership in January and then presented to the ABF Board.
 - **Core group of ambassadors identified and recruited (may begin with Board).*** See above.

GRANT MAKING

- **Clinical Research Training Fellowships.** Our draft budget for 2016 forecasts \$1,016,866 in grants from the ABF to AANI for CRTFs. We have completed a multi-year plan for CRTF funding in consultation with AANI.

PUBLIC OUTREACH

- **PBS Foundation Grant.** The analytics of visits to the ABF website show that the number of new visitors spiked significantly after each of the six episodes of “The Brain with David Eagleman.” Overall, the number of new visitors to the ABF website reached 84% where in prior months of this year and at the same time last year new visits were approximately 70%.



- **American Airlines Promotional Video.** The two minute video promotional video about the ABF to be shown on the business channel of all American Airlines flights in February and March, 2016 is complete. The video will be on more than 11,000 flights.

STAFFING

- **New Executive Director in place.*** Completed.
- **Staff organization chart revised.*** Completed for Year 1.
- **Appropriate staff positions filled.*** Completed for Year 1.

GOVERNANCE

- **Conversations held with each Board member regarding transition plan (e.g., continued service on Board, Advisory Council, etc.).*** Meetings of the Governance, Strategic Planning and Research Advisory Committees took place between the November and December ABF Board meetings. See meeting summaries included in your materials.
- **5-10 tier 1 public Board members identified and cultivation begun.*** See summary of recent Governance Committee meeting included in your materials.
- **Overall Board transition plan in place.*** See summary of recent Governance Committee meeting included in your materials.
- **Research Advisory Committee job description developed and founding members identified.*** Formal job descriptions for all committees are as yet unwritten.

Asterik () signifies that this item is a benchmark from the Alford Group Report.

AMERICAN BRAIN FOUNDATION 2016 OPERATING PLAN

THEME: PREPARING THE ABF FOR GROWTH

PURPOSE OF THE OPERATING PLAN:

To align around goals and activities which strengthen current operations and prepare for the future.

OVERALL GOALS:

Our success will be in accordance with the following goals:

- Complete new 5-year strategic plan
- Raise \$762,500 through fundraising activities
- Improve staffing and governance capacity to support further expansion

TARGET AUDIENCES:

Our efforts will focus on the following ABF audiences:

- Donors
- Volunteers (ABF Board, Committees and Ambassadors)
- AAN/AANI Executive Staff

CAPACITY BUILDING AREA #1:

CHART THE FUTURE PATH OF THE FOUNDATION & DEFINE OUR RELATIONSHIP WITH THE AMERICAN ACADEMY OF NEUROLOGY

Objectives

- | | |
|----|---|
| 1. | Complete the new 5-year strategic plan |
| 2. | Establish multi-year grant agreement with AAN |

CAPACITY BUILDING AREA #2:

IMPROVE FUNDRAISING RESULTS

Objectives

- | | |
|----|---------------------------------------|
| 1. | Raise \$762,500 (includes match) |
| 2. | Establish tracking of fundraising ROI |
| 3. | Develop and launch new website |
| 4. | Reinvent Ambassador Program |
| 5. | Establish moves management system |

CAPACITY BUILDING AREA #3

SUPPORT BOARD IN STRENGTHENING GOVERNANCE

Objectives

- | | |
|----|---|
| 1. | Make governance information accessible to the Board/committee members on their own secure website |
| 2. | Increase public representation on the Board by at least three people. |
| 3. | Develop governance philosophy and agreements. |



Date: December 8, 2015

To: Members of the Board of Trustees

From: Timothy Engel, CPA, Chief Financial Officer
Catherine Elliott, Finance Business Manager

CC: Jane Ransom, Executive Director

Subject: 2016 Proposed Budget

The enclosed materials present the 2016 Proposed Budget of the American Brain Foundation. The budgeted revenue is set at \$3.1M and expenses of \$3.2M resulting a net decrease of (\$100K). Revenue is declining by \$667K from the 2015 forecast. Expenses are also decreasing by (\$171K) in 2016.

Revenue

Grants & Gifts, ABF only revenue source, is budgeted at \$3.1M. A significant amount 76% is committed. This leaves a total of \$762K to be raised in 2016 to support the operations of ABF. The uncommitted grants include \$381K in match from a grant from the American Academy of Neurology Institute (AANI). Therefore the net amount to be raised is \$381K.

| | <u>2016 Budget</u> | <u>%</u> | 2015 Forecast | <u>%</u> |
|--|--------------------|----------|--------------------|----------|
| Committed | | | | |
| Grant from AANI | \$1,200,000 | 38% | \$1,300,000 | 34% |
| Clinical Research Training Fellowships | 1,006,666 | 32% | 1,790,333 | 47% |
| Awards | 180,000 | 6% | 194,000 | 5% |
| Uncommitted | | | | |
| Donations | 762,500 | 24% | 509,420 | 13% |
| | <u>\$3,149,166</u> | 100% | <u>\$3,793,753</u> | 100% |

Expenses

ABF has three major expense items. They are grants, staffing and professional services.

Grants are \$1.2M for 2016 Budget compared to \$2M forecasted for 2015.

| | 2015 Budget | 2015 Forecast | 2016 Budget |
|--|----------------|------------------|----------------|
| Clinical Research Training Fellowships | \$ 1,952,000 | \$ 1,659,203 | \$ 1,016,866 |
| Awards | 195,600 | 192,557 | 181,400 |
| Public Grant | - | 200,000 | - |
| Total Grants | 2,147,600 | 2,051,760 | 1,198,266 |

Professional Services is \$324,249 for 2016 to support the following items:

| | |
|--------------------|----------------|
| Strategic Planning | \$ 100,000 |
| Rebranding | 74,000 |
| Fundraising | 71,261 |
| Website | 50,000 |
| Recruitment | 14,675 |
| Other | 14,793 |
| | <u>324,729</u> |

ABF has a management agreement that supports operating activities. The fee is \$185K for 2016 budget, a 1.6% increase over 2015's fee of \$182K. The 2016 Fee includes the following components:

1. Facilities \$92.5K
 - a. Office space
 - b. Meeting space for staff and committees
 - c. Lunchroom, exercise room
 - d. Reception services
 - e. Office furniture, phones, internet, copier
2. IT/IS Services \$52.5K
 - a. Software/hardware management
 - b. Computers/Internet access
 - c. Help desk
 - d. Website
3. Financial, Legal and Human Resource Services \$40K
 - a. Financial reporting
 - b. Audit management
 - c. Tax filings
 - d. Cash flow/investment management
 - e. Accounts payable processing
 - f. Accounts receivable processing

- g. Contract review
- h. Legal counsel
- i. Benefit administration services
- j. Staff oversight/training

Salaries and Benefits for employees are administered through AAN. Employees (seven) are considered AAN employees who are leased to ABF. ABF reimburses AAN monthly for salaries and benefits budgeted at \$756K for 2016. Medical benefits are projected to increase eight percent and a salary pool of four percent is included in the 2016 budget. In addition \$139K in salaries and benefits are included in the 2016 Budget for expenses related to Finance, Marketing and Legal time.

Working Capital

The annual budgeting process also includes a projection of cash needs to determine if sufficient cash is available to meet operating needs. ABF is in a strong cash position and there is no concern on funding operations for 2016. A detail working capital budget is provided in the attachments. The schedule shows a decrease in funds over the year due to the following:

- Decrease Revenue/Receipts:
 - \$600K in Grant revenue received in prior year
- Additional Expenses:
 - \$225K in Capital Expenditure for website this will be depreciated over 5 years.
 - \$900K in Grant expenses which are paid-out over two years. Therefore the amount that will be paid in 2016 is \$2.1M vs. the \$1.2M budget. \$1.6M from prior years and \$500K 2016 grants.

**American Brain Foundation
2016 Proposed Operating Budget**

| | | | | 2015 Forecast to 2016 Budget Increase (Decrease) |
|-----------------------------------|-----------------------|----------------------|----------------------|---|
| | 2015 Budget | 2015 Forecast | 2016 Budget | |
| REVENUE | | | | |
| Grants & Gifts | \$ 3,851,000 | \$ 3,793,753 | \$ 3,149,166 | \$ (644,587) |
| Advertising | 15,000 | - | - | - |
| Interest Income | 11,151 | 7,500 | 7,500 | - |
| Service Fees | 12,498 | 22,713 | - | (22,713) |
| Miscellaneous | - | 362 | - | (362) |
| TOTAL REVENUE | 3,889,649 | 3,824,328 | 3,156,666 | (667,662) |
| EXPENSES | | | | |
| Salaries & Benefits | 754,906 | 586,711 | 895,026 | 308,315 |
| General Office | 34,801 | 41,074 | 35,572 | (5,502) |
| Furniture/Equipment/Software, Etc | 89,708 | 101,745 | 95,000 | (6,745) |
| Professional | 257,521 | 173,493 | 324,249 | 150,756 |
| Advertising / Marketing | 271,989 | 15,756 | 34,730 | 18,974 |
| Meeting / Travel Related | 290,040 | 170,072 | 257,125 | 87,053 |
| Grants | 2,147,600 | 2,051,760 | 1,198,266 | (853,494) |
| Contingency | 200,000 | 100,000 | 200,000 | 100,000 |
| Depreciation | 18,163 | 3,576 | 30,182 | 26,606 |
| Management Fee | 182,057 | 182,057 | 184,651 | 2,594 |
| TOTAL EXPENSES | 4,246,785 | 3,426,244 | 3,254,801 | (171,443) |
| Long Term Investment Revenue | - | 8,395 | - | (8,395) |
| CHANGE IN NET ASSETS | \$ (357,136) | \$ 406,479 | \$ (98,135) | \$ (504,614) |

| | % of Total Expense | | |
|-----------------------------------|---------------------------|-------------|-------------|
| EXPENSES | | | |
| Salaries & Benefits | 18% | 17% | 27% |
| General Office | 1% | 1% | 1% |
| Furniture/Equipment/Software, Etc | 2% | 3% | 3% |
| Professional | 6% | 5% | 10% |
| Advertising / Marketing | 6% | 0% | 1% |
| Meeting / Travel Related | 7% | 5% | 8% |
| Grants | 51% | 60% | 37% |
| Contingency | 5% | 3% | 6% |
| Depreciation | 0% | 0% | 1% |
| Management Fee | 4% | 5% | 6% |
| Other Expenses | 0% | 0% | 0% |
| TOTAL EXPENSES | 100% | 100% | 100% |

American Brain Foundation
Working Capital Budget 2016
in Thousands

| | Jan 2016 | Feb 2016 | Mar 2016 | Apr 2016 | May 2016 | Jun 2016 | Jul 2016 | Aug 2016 | Sep 2016 | Oct 2016 | Nov 2016 | Dec 2016 | Total |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|
| RECEIPTS | | | | | | | | | | | | | |
| Grants & Donations | \$ 450 | \$ 120 | \$ 70 | \$ 399 | \$ 99 | \$ 21 | \$ 663 | \$ 20 | \$ 20 | \$ 360 | \$ 161 | \$ 161 | \$ 2,544 |
| Investment Income | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 12 |
| TOTAL RECEIPTS | 451 | 121 | 71 | 400 | 100 | 22 | 664 | 21 | 21 | 361 | 162 | 162 | 2,556 |
| DISBURSEMENTS | | | | | | | | | | | | | |
| Salaries & Benefits | 189 | 57 | 79 | 57 | 57 | 57 | 57 | 84 | 57 | 57 | 57 | 84 | 892 |
| General Office | 2 | 2 | 2 | 3 | 3 | 2 | 2 | 3 | 3 | 5 | 3 | 3 | 33 |
| Furniture/Equipment, etc | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 96 |
| Professional | 81 | 26 | 22 | 38 | 39 | 21 | 22 | 3 | 53 | 3 | 15 | 3 | 326 |
| Advertising / Marketing | 3 | | | 1 | | | | 2 | 5 | 14 | | 10 | 35 |
| Meeting/Travel Related | 8 | 18 | 14 | 13 | 56 | 7 | 30 | 8 | 8 | 12 | 71 | 12 | 257 |
| Grants | 526 | 1 | | 178 | 10 | 3 | 999 | | | | | 385 | 2,102 |
| Contingency | | | | | | | | | | | | 200 | 200 |
| Capital Outlay | 225 | | | | | | | | | | | | 225 |
| Management Fee | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 180 |
| TOTAL DISBURSEMENTS | 1,057 | 127 | 140 | 313 | 188 | 113 | 1,133 | 123 | 149 | 114 | 169 | 720 | 4,346 |
| CHANGE IN CASH | \$ (606) | \$ (6) | \$ (69) | \$ 87 | \$ (88) | \$ (91) | \$ (469) | \$ (102) | \$ (128) | \$ 247 | \$ (7) | \$ (558) | \$ (1,790) |
| Beginning Cash and Short-term Investments | 2,965 | 2,359 | 2,353 | 2,284 | 2,371 | 2,283 | 2,192 | 1,723 | 1,621 | 1,493 | 1,740 | 1,733 | 2,965 |
| Ending Cash and Short-term Investments | \$ 2,359 | \$ 2,353 | \$ 2,284 | \$ 2,371 | \$ 2,283 | \$ 2,192 | \$ 1,723 | \$ 1,621 | \$ 1,493 | \$ 1,740 | \$ 1,733 | \$ 1,175 | \$ 1,175 |



Date: December 8, 2015

To: Members of the Board of Trustees

From: Timothy Engel, CPA, Chief Financial Officer
Catherine Elliott, Finance Business Manager

CC: Jane Ransom, Executive Director

Subject: October 2015 YTD Financial Results

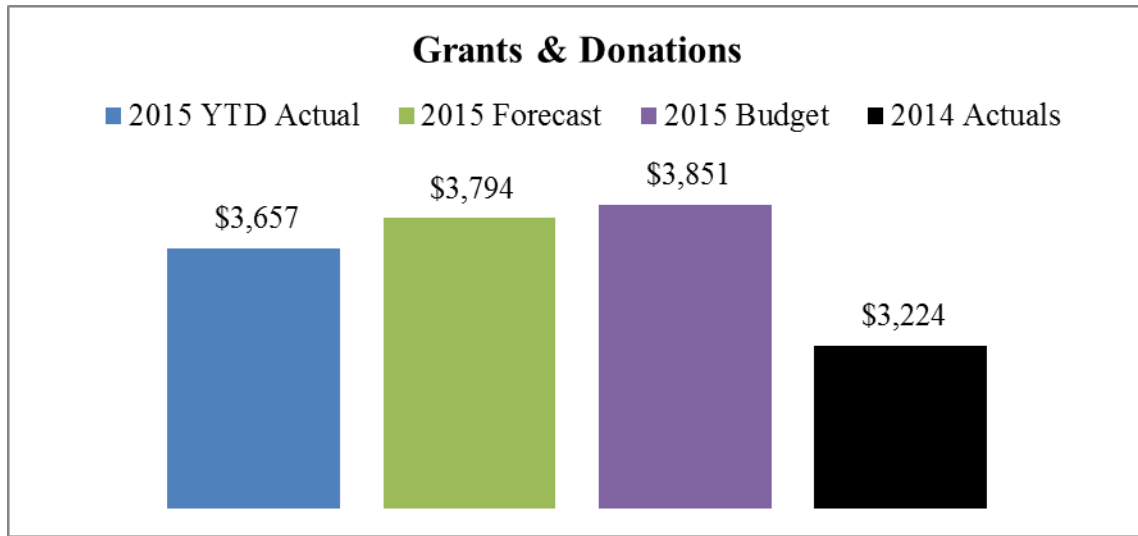
The enclosed materials present the financial performance of the American Brain Foundation for the nine months ending October 31, 2015.

Statement of Operations

ABF realized \$3.7M in revenue as of October 31st. This is 95% of budgeted revenue. Operating revenue exceeded expenses for the period by \$665K. Long-term investment earnings (non-operating revenue) increase by \$11K for a net increase of \$676K. Based on revenue expectations and expenses projected over the balance of 2015 a \$406K net increase is forecasted.

| | 2015 | | | | 2014 |
|-------------------------------------|---------------|---------------|-----------------|---------------|---------------|
| | Actual | Forecast | Budget | Variance | |
| Revenue before investments | \$ 3,683 | \$ 3,824 | \$ 3,890 | \$ (65) | \$ 3,982 |
| Expenditures | (3,018) | (3,426) | (4,247) | 821 | (3,637) |
| Net increase from operations | 665 | 398 | (357) | 755 | 346 |
| Investment earnings | 11 | 8 | | 8 | 143 |
| Net increase | \$ 676 | \$ 406 | \$ (357) | \$ 764 | \$ 489 |

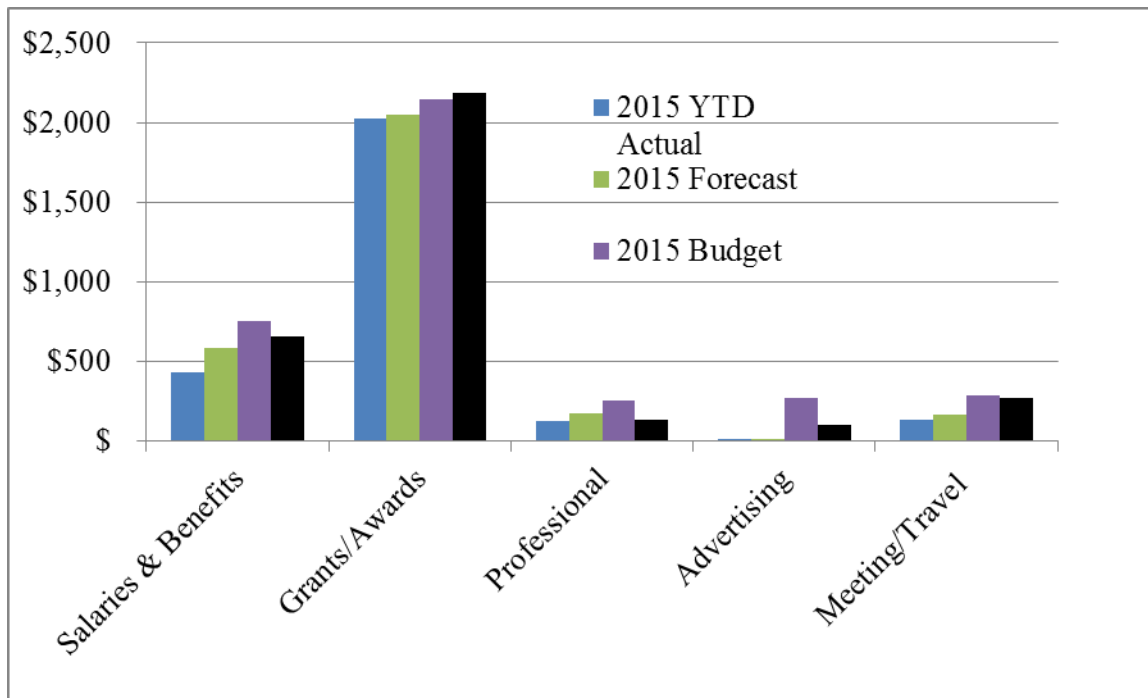
Revenue



ABF's primary revenue is from grants and donations (includes released from restrictions). The 2015 forecast is \$3.8M. This compares to a year-to-date of \$3.6M. Grant revenue is comprised of the following:

- \$1.3M grant from AAN to support operations
- \$1.9M to support clinical research training fellowships
- \$180K to support AAN Awards- funded by endowments
- \$500K from AAN members and individual donors

Expenses



Total expenses are currently forecasted at \$3.4M and under budget by \$820K. The following areas are the primary sources for the net positive variance.

1. Salaries and benefits under by \$168K
 - a. Delay in anticipated staff additions
2. Software (License fees for donor tracking) over by (\$12K)
 - a. Additional fees for software maintenance not anticipated
3. Professional services under by \$84K
 - a. Recruitment of Executive Director exceeded budget by (\$57K)
 - b. Strategic Consultant added (\$50K)
 - c. Website Redevelopment and development planning consultants estimated in 2015 budget that will not be expended, overall reduction of \$191K
4. Meeting and travel under by \$120K
 - a. Travel to AAN annual meeting less then budgeted
 - b. Board meeting expenses exceeding budget
 - c. Staff Travel for donor development/fundraising
5. Marketing under by \$256K
 - a. The 2015 budget included \$200K for unknown and potential marketing effort that that will not be implemented in 2015
 - b. Reduction in overall marketing as ABF reviews it's strategic direction
6. Honoraria/Stipends/Awards under by \$96K
 - a. Grant to PBS for Brain Series addition of \$200K
 - b. Prior year CRTF refunds
 - c. One less CRTF funded in 2015
7. Contingency reduced by \$100K
 - a. Based on projected increase, contingency is likely not needed to support unanticipated expenses and to delivery a net operating increase

Statement of Financial Position

The Foundation ended October total assets of \$10.3M. This consisted of cash and investments of \$8.9M, 86% of total assets. Grants receivable balance of \$1.4M representing 13% of total assets. Liabilities totaled \$2.1M and which includes grants payable of \$2M.

A complete set of financial statements is included in the following pages for your review.

AMERICAN BRAIN FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS OF October 31,

| | 2015 | 2014 | Net Change |
|-----------------------------------|---------------|---------------|----------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and Cash Equivalents | \$ 2,991,623 | \$ 2,749,136 | \$ 242,487 |
| Grants and Gifts Receivable, Net | 842,488 | 1,001,978 | (159,490) |
| Accounts Receivable | 20,719 | 13,595 | 7,124 |
| Other Assets | 11,890 | 11,790 | 100 |
| Total Current Assets | 3,866,720 | 3,776,499 | 90,221 |
| FIXED ASSETS | | | |
| Office Equipment | 10,725 | 193,709 | (182,984) |
| Less Accumulated Depreciation | (7,448) | (185,953) | 178,505 |
| Net Fixed Assets | 3,277 | 7,756 | (4,479) |
| LONG TERM ASSETS | | | |
| Investments | 5,961,109 | 5,895,181 | 65,928 |
| Grants and Gifts Receivable, Net | 515,857 | 1,708,479 | (1,192,622) |
| Total Long Term Assets | 6,476,966 | 7,603,660 | (1,126,694) |
| Total Assets | \$ 10,346,963 | \$ 11,387,915 | \$ (1,040,952) |
| LIABILITIES AND NET ASSETS | | | |
| CURRENT LIABILITIES | | | |
| Accounts Payable | \$ 49,516 | \$ 52,373 | \$ (2,857) |
| Grants Payable | 57,970 | | 57,970 |
| Total Current Liabilities | 107,486 | 52,373 | 55,113 |
| LONG TERM LIABILITIES | | | |
| Grants Payable | 1,969,157 | 2,411,303 | (442,146) |
| NET ASSETS | | | |
| Unrestricted | 3,000,644 | 2,356,832 | 643,812 |
| Temporarily Restricted | 3,639,405 | 5,006,486 | (1,367,081) |
| Permanently Restricted | 1,630,271 | 1,560,921 | 69,350 |
| Total Net Assets | 8,270,320 | 8,924,239 | (653,919) |
| Total Liabilities and Net Assets | \$ 10,346,963 | \$ 11,387,915 | \$ (1,040,952) |

American Brain Foundation
Income Statement
For the Ten Months Ending October 31,2015

| | YTD 2015 Actuals | YTD 2015 Budget | Variance Favorable (Unfavorable) | 2015 Forecast | 2015 Budget | Variance Favorable (Unfavorable) | Final 2014 Actuals |
|--|---------------------|--------------------|--|------------------|------------------|--|--------------------------|
| REVENUE | | | | | | | |
| Grants & Gifts | \$ 1,673,056 | \$ 1,446,670 | \$ 226,386 | \$ 1,809,420 | \$ 1,705,000 | \$ 104,420 | \$ 660,980 |
| Released from Restrictions | 1,984,123 | 2,146,000 | (161,877) | 1,984,333 | 2,146,000 | (161,667) | 2,562,672 |
| Dues | | | | | | | 690,000 |
| Royalties | | | | | | | 25,615 |
| Advertising | | 15,000 | (15,000) | | 15,000 | (15,000) | |
| Interest Income | 6,569 | 9,290 | (2,721) | 7,500 | 11,151 | (3,651) | 8,961 |
| Service Fees | 18,747 | 12,498 | 6,249 | 22,713 | 12,498 | 10,215 | 24,996 |
| Other Revenue | 362 | | 362 | 362 | | 362 | 9,252 |
| Total Support and Revenue | 3,682,857 | 3,629,458 | 53,399 | 3,824,328 | 3,889,649 | (65,321) | 3,982,476 |
| EXPENSES | | | | | | | |
| Salaries & Benefits | 430,948 | 603,271 | 172,323 | 586,711 | 754,906 | 168,195 | 654,890 |
| General Office | 29,273 | 27,728 | (1,545) | 41,074 | 34,801 | (6,273) | 44,045 |
| Furniture/Equipment,Etc | 94,339 | 74,746 | (19,593) | 101,745 | 89,708 | (12,037) | 96,032 |
| Professional | 131,442 | 222,670 | 91,228 | 173,493 | 257,521 | 84,028 | 136,157 |
| Marketing | 12,792 | 226,960 | 214,168 | 15,756 | 271,989 | 256,233 | 100,455 |
| Meeting/Travel Related | 137,253 | 243,008 | 105,755 | 170,072 | 290,040 | 119,968 | 275,561 |
| Honoraria/Stipends/Awards | 2,026,969 | 2,147,600 | 120,631 | 2,051,760 | 2,147,600 | 95,840 | 2,185,497 |
| Contingency | | | | 100,000 | 200,000 | 100,000 | |
| Depreciation | 2,979 | 12,805 | 9,826 | 3,576 | 18,163 | 14,587 | 7,192 |
| Other Expenses | | | | | | | 8,517 |
| Management Fee | 151,711 | 151,711 | | 182,057 | 182,057 | | 128,267 |
| Total Expenses | 3,017,706 | 3,710,499 | 692,793 | 3,426,244 | 4,246,785 | 820,541 | 3,636,613 |
| Long Term Investments Income(Loss) | 10,890 | | 10,890 | 8,395 | | 8,395 | 142,783 |
| CHANGE IN UNRESTRICTED NET ASSETS | 676,041 | (81,041) | 757,082 | 406,479 | (357,136) | 763,615 | 488,646 |
| TEMPORARILY RESTRICTED NET ASSETS | | | | | | | |
| Grants & Gifts | 522,929 | | | | | | 2,473,079 |
| Investment Income | 23,249 | | | | | | 121,553 |
| Net Assets Released from Restrictions | (1,984,123) | | | | | | (2,562,672) |
| Beginning Balance | 5,077,351 | | | | | | 5,045,391 |
| Ending Temporarily Restricted Net Assets | 3,639,406 | | | | | | 5,077,351 |
| PERMANENTLY RESTRICTED NET ASSETS | | | | | | | |
| Grants & Gifts | 63,350 | | | | | | 64,500 |
| Beginning Balance | 1,566,921 | | | | | | 1,502,421 |
| Ending Permanently Restricted Net Assets | 1,630,271 | | | | | | 1,566,921 |



MEMORANDUM

To: American Brain Foundation (ABF) Board of Directors

From: Ralph Jozefowicz, ABF Treasurer

Date: December 11, 2015

Subject: Approval of 2016 Operating Budget

1. **Issue.** Approval of the 2016 proposed American Brain Foundation (ABF) Operating Budget.
2. **Proposed motions.** The Board of Directors approves the 2016 proposed ABF operating budget with total revenues of \$3.1M and expenditures of \$3.2M, including a contingency of \$200K, resulting in a net decrease of \$100K.
3. **Background information.** Dr. Jozefowicz meet with Timothy Engel, Catherine Elliot and Jane Ransom to review the proposed 2016 operating budget and working capital schedule. The discussion included a review of the detail budget and explaining the changes in revenue and expenses in comparison to 2015 forecast. Based on that discussion Dr. Jozefowicz agreed to recommend the board approve the budget as prepared.
4. **Comments from Chief Financial Officer concerning fiscal impact.** Approval of annual operating budgets is a good practice. The attached materials provide additional detail on the 2016 operating budget.
5. **Comments from General Counsel concerning legal and policy implications.** No additional comment.
6. **Enclosures.** See attached financial reports.
7. **Executive Director's recommendation.** Recommend Approval

American Brain Foundation
Strategic Planning Meeting Summary
November 5, 2015

Attendees: Jane Ransom; A. Gordon Smith, MD; Ben Utecht; Jeffrey Rosenfeld, MD; Martin Shenkman, CPA; Lisa Shulman, MD; Suzi Sherman

Excused: Kevin Goodno

Guests: Gail Thomason; Kathy Henrichs; Linda Hall

Purpose of Strategic Planning Committee

Members discussed and approved of the written purpose of the committee:

The purpose of the Strategic Planning Committee (SPC) is to develop, on behalf of and in consultation and collaboration with ABF Board, executive staff, and the broader ABF community, a five year strategic plan for the foundation. In doing so, the SPC will review and recommend revisions to the ABF's mission and vision as necessary, as well as identify key strategic goals and actions that the ABF should focus on over the next five years.

Strategic Planning Process Flowchart

Jane Ransom discussed the flowchart outlining our strategic planning process, pointing out how the committee and full board will be consulted at critical issues. She reviewed what is happening currently with respect to each of the three critical issue planning areas:

- ABF Program/Funding Focus – The Research Advisory Committee has meetings coming up in December and January. They are working on a template for high-risk research funding. Dr. Griggs is attending a meeting of the AAN Science Committee in January to share the committee's tentative thoughts.
- Philanthropic Assessment – Staff is vetting proposals received in response to the ABF's RFP.
- Business Model - Henrichs & Associates will be conducting interviews with AAN/ABF leaders and with external organizations (other medical research foundations and voluntary health organizations) to determine best practices upon which to found the ABF's business model.

Committee members asked to review the Alford Group report which recommended the strategic planning now underway. Jane Ransom promised to distribute it after the meeting.

Meeting Schedule

Dr. Shulman would like the committee to meet once a month by conference call and also once in person in February or March. The ABF staff will be polling members to determine the meeting dates and times.

- In person meeting in early Feb
- Monthly conference calls

Problem Statement

The problem statement is only for internal use to make sure we agree on the problem we are trying to solve through strategic planning. Committee members suggested a bit more editing.

Business Model - Environmental Scan

Kathy Henrichs and Gail Thomason of Henrichs & Associates shared the list medical research foundations and voluntary health organizations they plan to interview as well as the list of questions they'll be using. It was suggested and agreed that they should add the American Brain Injury Association to the list.

Company Overview

Bob Carter Companies LLC, dba Carter was co-founded by Bob Carter and Steve Higgins. Since being established in 2011, Carter has assembled some of the nation's most experienced and respected fundraising professionals to assist organizations in maximizing their philanthropic potential. Our dynamic team approach provides our partners and the core "partner-team" with subject-matter experts in all aspects of fundraising and philanthropy. Each partner has access to our subject matter experts in addition to their core team. In addition to our vast individual and collective experience in fundraising, we also provide subject matter experts in the following areas:

Planned giving
Analytics
Board governance

Strategic planning
Marketing & communications
Financial modeling

Unparalleled experience

Our team has over 300 years of combined experience developing philanthropy in the arts, conservation, healthcare, education, human services, humanitarian aid and international sectors. We know the challenges you face, and together, we'll find the right solution.

A proven record of results

Strategic planning and a deep knowledge of organizational structure are keys to successful annual programs, major gifts, planned gifts, grants and fundraising related to capital and endowment campaigns. Our results speak for themselves.

Partners for the future

We do not have clients, we have partners. Our team members are handpicked to meet your organization's unique goals and needs. We listen, we understand and we collaborate. In doing so, we build relationships that go the distance and make meaningful impacts across the world.

Creative Solutions. Sound practices.

We believe in doing things the right way, not the easy way. In the competitive world of fundraising, we bring creativity and passion to every project and the expertise needed to bring your vision to life.



Lela Diaz

Executive Vice President

Lela has extensive experience in international fundraising including major gifts and campaigns with an excellent track record of success. Partnering with volunteers, staff and donors to accomplish mission critical fundraising objectives around the world.

Lela joined Bob Carter Companies in 2012 and became Vice President and Partner in 2014. She leads the companies work overseas, which has included the Education Above All Foundation, an initiative of Her Highness Sheika Moza Bint Nasser of Qatar, University of Monterey Mexico, Direct Relief International, The US Mexico Foundation and the Wahdwani Initiative for Sustainable Healthcare in India. Lela also has played a key role on the Maryland Food Bank, Big Sur Land Trust, Stevenson School and the Knoxville Museum of Art.

Before joining Bob Carter Companies, Lela most recently served as the Senior Associate Director of Philanthropy with the Nature Conservancy– Illinois Field Office. In this role she was responsible for developing significant support for global conservation priorities while helping to restart a development program.

Prior to joining The Nature Conservancy, Lela helped develop the Strategic Gifts Initiative at Feeding America for the \$500 million Campaign for a Hunger Free America directed to individuals and family foundations capable of considering gift commitments of \$1 million or more. The initiative closed \$15.1 million in gift commitments in its first full year. Lela was personally responsible for \$4.5 million of this result.

Additionally, Lela has served as campaign counsel to a variety of non- profit organizations around the country, including the San Francisco Opera, Northwestern Memorial Hospital and Viewpoint School in Calabasas. Lela has also held positions at Access Living in Chicago where she completed an \$18 million campaign 2 years ahead of schedule and at American Red Cross as a disaster relief coordinator and CPR instructor.

Lela is committed to giving back to the sector and is currently serving as Chair of mentorship committee for AFP, Greater Los Angeles. She earned a Bachelor of Arts degree from the University of Southern California and a Masters Certificate from Loyola of Chicago in the Advanced Study of Philanthropy. Lela is currently based out of Los Angeles but has also resided in San Jose, Costa Rica and London, England.



PHILANTHROPIC ASSESSMENT

Background Information

Prepared for

American Brain Foundation



December 2015

GOALS OF THE PHILANTHROPIC ASSESSMENT

- To determine fundraising potential within various revenue channels.
- To test the Case Summary among various constituents and determine which elements are most appealing to the different audiences.
- To create a sense of ownership among key constituents by seeking their opinions and input on the proposed fundraising plans.
- To develop an initial fundraising plan.
- To identify major gift prospects.
- To identify fundraising leadership prospects.
- To help establish or reinforce a culture of philanthropy.
- To assess the public perception of ABF.
- To establish early momentum.

INFORMATION REQUEST

- 1) Samples of annual appeals from the last 12 months
- 2) Board Giving for the past five years
- 3) Report that shows overall giving for the last five completed years or fiscal years, broken down by constituent group (e.g., board, staff, individual, corporation, foundation)
- 4) Report that shows overall giving for the last five years or fiscal years, broken down by appeal type (e.g., annual fund, special event, etc.)
- 5) Descriptions or printed materials describing all giving clubs/societies including sponsorship opportunities.
- 6) Budgets or final analysis document for all special events completed in the last three years. Please indicate for each event: Number of years the event has been run and, do the expenses include or exclude staff time?
- 7) Brochure or samples of recent planned giving communications
- 8) Current organization chart for development and for departments that interact with development including the Association.
- 9) Current development budget (Please indicate on the document the cumulative dollar amount of the organization budget)
- 10) Current job descriptions (as they are – please do not take time to revise them)
- 11) Policy and procedure manual or documents for all policies that relate to development (e.g., gift acceptance, gift processing, endowment, naming and recognition, etc.)
- 12) Current annual development plan and/or statement of goals
- 13) Statistical and demographic reports from the Web Site that includes data pertaining to unique users, site traffic, site traffic for top 20 pages, sources of traffic, etc.
- 14) A document that lists specific efforts to direct users to a webpage or pages and any data pertaining to expected or actual results.
- 15) Any documents or plans (from any area of operation) that break down how you are tracking contacts or how folks are finding you.
- 16) The Social Network plan or planning documents.

- 17) A list of all forms of social media currently deployed. Include a brief statement about why each was selected.
- 18) Any reports/tracking in use that shows measurement of social media users or specific goals.
- 19) A report that describes the demographics of your current database. Average giving, total donors, and most current gift totals.
- 20) Any reports or informal tracking used that identifies major gift prospects, solicitor, goals and results. Some organizations call this a "MOVES Management Report."
- 21) Any existing documents or analysis that will help us to understand the current major gift prospect pool.
- 22) Mailing authorization number from the Post Office and confirm direct marketing return address. Confirm mailing identification number.

STUDY WORKPLAN

| | December | | | | January | | | | February | | | | March | | | |
|---|----------|--|--|--|---------|--|--|--|----------|--|--|--|-------|--|--|--|
| 1. Develop and present work plan • Share Resource Guide • Review available background materials • Request additional information | | | | | | | | | | | | | | | | |
| 2. Document and background review • Review and analyze requested data and documents | | | | | | | | | | | | | | | | |
| 3. Develop initial case summary • Draft outcome-based case summary with emotional lead • Review draft case summary with ABF leadership | | | | | | | | | | | | | | | | |
| 4. Schedule and prepare for interviews • Finalize interview list • Schedule interviews • Determine if a web-based survey should be conducted | | | | | | | | | | | | | | | | |
| 5. Develop test mailing campaign • Conduct 5 tests through the mail and the magazine | | | | | | | | | | | | | | | | |
| 6. Conduct interviews • Conduct 20 interviews • ABF leaders, board members and those closest to ABF to be done in December • Conduct survey (if applicable) | | | | | | | | | | | | | | | | |
| 7. Identify top 50 donor prospects • Collaborate with ABF leadership to identify top 50 prospects | | | | | | | | | | | | | | | | |
| 8. Develop recommendations, draft fundraising plan, timeframes and budget • Synthesize and analyze background review • Synthesize and analyze interview results • Prepare recommendations, draft fundraising strategy, timeframes and budget | | | | | | | | | | | | | | | | |
| 9. Develop additional fundraising strategy elements • Develop gift acceptance policy and naming opportunities • Establish a prospect review and research effort | | | | | | | | | | | | | | | | |

| | December | | | | January | | | | February | | | | March | | | |
|---|----------|--|--|--|---------|--|--|--|----------|--|--|--|-------|--|--|--|
| 10. Present final fundraising plan | | | | | | | | | | | | | | | | |
| • Preliminary presentation to select group of ABF leaders | | | | | | | | | | | | | | | | |
| • Final plan to larger group of ABF leaders | | | | | | | | | | | | | | | | |

Meeting Summary
ABF Governance Committee
December 2, 2015

The committee meeting, chaired by Kevin Goodno, began at 8:00 a.m. CST.

Recommended Bylaws Revision

The committee reviewed and recommended a change to the ABF bylaws to allow the editor of *Neurology Now* to designate a substitute for his/her *ex officio* position on the ABF Board of Directors subject to board approval. The bylaws change will be brought up for a vote at the ABF Board meeting of December 17, 2015.

Committee Agenda and Goals

The committee will have two focus areas in 2016. The first will be to strengthen ABF governance by clarifying board expectations and creating agreements on the board's procedures and culture. The second focus will be on developing the membership of the board with an emphasis on recruiting more public members.

The ABF Board is not yet large enough to establish a separate nominating committee of the board, which is why Board Chair Kevin Goodno is keeping the nominations function within the Governance Committee, as well as chairing the committee, at this time.

2016 Recruitment

The committee will establish a systematic process which aligns recruitment efforts with the talents, skills and diversity attributes which it identifies and shares with the ABF Board for feedback. A grid will be developed by staff for further development by the committee. Future board member attributes suggested by committee members included:

- Connected to brain disease and have passion for our vision
- well connected
- Ability make financial contributions
- Connections with other corporations, foundations, causes and fundraising opportunities
- Geographic/racial/gender diversity
- High profile

The committee needs to think further about the ideal mix of board members, including the proper mix of neurologists and public members. Environmental scanning of other medical research and voluntary health organizations is underway, as part of ABF strategic planning, and should help us to understand best practices of other organizations with respect to board composition.

Recruitment strategies were also discussed. Ideas included:

- Ask ABF Board members to submit names
- Look for potential nominees during philanthropic assessment interviews
- Ask other AAN members for suggestions

The ABF needs to have clearer messaging and direction, as well as expectations of board members, finalized before formally nominating people. However, informal discussions with potential candidates are encouraged.

Staff will send the document used for the most recent round of board member recruitment to committee members. This document will be revised as needed.

Adjourned at 8:52 a.m. CST.