



**American Brain Foundation
Board of Directors
June 18, 2017
Minneapolis, Minnesota**

Call to Order: Sunday, June 18, 2017, at 8:00 a.m. CT by Board Chair Kevin Goodno. Quorum was present.

In Attendance: Kevin Goodno, Chair; Ralph Sacco, MD; Dan Gasby; Jeffrey Rosenfeld, MD; Susan Schneider Williams; Lisa Shulman, MD; Joseph Sirven, MD; Gordon Smith, MD; Ben Utecht, Catherine Rydell, CAE; Martin Shenkman, CPA

Staff: Jane Ransom, Shelly Collins Rucks, Tim Engel, CFO; Natalie Baumgartner

Excused: John Mazziotta, MD; Bruce Miller, MD; Robert Griggs, MD; Ralph Jozefowicz, MD

Mr. Goodno welcomed everyone and discussed the agenda for the meeting.

Minutes:

MOTION to approve the ABF Board of Directors minutes from April 24, 2017. Approved unanimously.

Call for disclosure of conflicts of interest: There were none.

1. Finance Report:

- a) **Financial Statements for period ending 4/30/17:** CFO Tim Engel discussed the year-to-date financials. Expenditures are on track and running \$779,000 under revenue for the year. Engel also shared a summary of temporarily and permanently restricted funds, and discussed the difference between GAAP and Development financials.

Mr. Engel described an innovative model for understanding the relationship between program and operating costs in organizational financials. Rather than look at programs and operations as percentages of the total budget, operations need to be understood as the core of the organization, with programs being an outer layer of expenses wrapped around the core. Without a solid core, an organization cannot support its mission.

The Board discussed how each program needs to be evaluated by its impact on the Foundation's core, with an awareness toward reassessing the programs currently underway. Mr. Engel highlighted the importance of understanding how the staff is spending their time. The staff is undertaking time study to understand how they are allocating their time. The program and development staff are currently undergoing a time study. Core costs can sometimes be core agnostic. For example, with the crowdfunding site, the staff dedicated nearly 100 percent of their project time on administrative functions to prepare for the Annual Meeting launch. Mr. Engel explained that the core costs during the crowdfunding site's creation were large, but should shrink once launched.

Mr. Goodno stated that Mr. Engel's model is a good tool for explaining the dynamic between operating and program costs to donors.

Ms. Ransom inserted that historically, the American Brain Foundation did not have to worry about core expenses. The American Academy of Neurology took care of these expenses. This means that the Foundation has some bad habits, such as not asking donors to pay for indirect costs and a tendency to offer only restricted giving opportunities to donors. These are habits we are starting to break.

Mr. Engel stated that funders expect a minimum of 65-70 percent of a nonprofit's expenses to be spent on programs. A start-up organization that has only been around for a few years should have a higher admin function.

The Board wanted to know if it is acceptable to have certain programs that don't generate operating revenue. Ms. Ransom stated that all operational revenue must be covered, though it is fine to subsidize the operating revenue of a program from general operating funds, if available. In the nonprofit sector at least 75% of all revenue should be going to programs.

- b) **2016 Audit:** Mr. Engel led the Board through 2016 Audit. He explained that the Academy, AANI, and the Foundation share a joint Audit Committee, which meets annually. The 2016 Audit was an unmodified opinion with no material weaknesses, which is positive.

There were some areas of deficiencies. The Audit Committee stated that a department outside of finance, preferably IT, should administer the finance software. The AAN, AANI, and Foundation feel that it is within finances' job to maintain control over the financial software, and there are sufficient checks and balances in place to ensure no one individual can go in and administer checks or change vendor names. The Auditors also addressed issues around the approval process of executive director expenses. Mr. Engel stated that he checks Ms. Ransom's expenses as they come in, and the Treasurer, Dr. Jozefowicz, reviews her expenses on a quarterly basis.

Mr. Goodno about the proportion of spending that goes to administrative costs versus program costs. Mr. Engel stated that the program-related costs were 47% as opposed to the prior year at 62%. The Auditors' comment was to monitor time allocations each year. Mr. Goodno proposed a motion to accept the 2016 audit report. Motion Accepted (Unanimously).

The Board discussed the Foundation's participation in the joint Audit Committee. Mr. Goodno explained the value in participating in a joint Audit Committee. Due to the close relationship between the ABF and the AAN, it still makes sense to have same auditors. The Board recognized that the Foundation saves money by participating in the joint audit with AAN. Mr. Goodno stated that, at some point, the Foundation will need its own separate audit and will need to incur additional costs.

- 2. Executive Director Report:** Ms. Ransom led the Board through the strategic goals.

Strategic Goal #1, RESEARCH: The crowdfunding site has eight projects posted and nine pending. The Foundation has raised over \$10,000 on the site without a strategic marketing plan.

The Foundation has raised almost \$2.5 million in new research. In total, the Foundation has raised \$3 million in the first six months of 2017 across all listed projects.

Strategic Goal #2, PUBLIC ENGAGEMENT: The Foundation is trying to secure a media sponsor for an athlete brain health awareness campaign, which would occur during the Super Bowl and the Winter Olympics.

There is a pause in the marketing the crowdfunding site because the Foundation ended its relationship with Weber Shandwick. The Foundation will go public with the crowdfunding site and its marketing strategy at the end of this summer or early fall.

The Board wanted more information about what happened with Weber Shandwick. Ms. Ransom explained that Weber Shandwick provided the Foundation with some great deliverables (such as website and video), but they were not interested in executing the ideas in their marketing plan. The Foundation is looking for a marketing partner and/or staff that is better able to execute. The Board recognized that Weber Shandwick established the Foundation's branding strategy, but the Foundation needs production.

The Board wanted to understand how the crowdfunding site factored into the broader marketing plan. Ms. Ransom stated that the crowdfunding site is going to be the major factor in social media marketing. The Board wanted to understand if this was the strategy that the Diabetes Research Connection uses, and Ms. Rucks explained that it is. In addition, she mentioned that the Diabetes Research Connection strategy requires that 10 percent of funds raised must come from the researcher's network to be successful.

The Board discussed the importance of reaching the Foundation's niche market with the crowdfunding site. Other organizations might look at this innovative marketing strategy and be interested in partnering. Ms. Ransom stated that many of these partnership opportunities relating to the crowdfunding site are being addressed by the Research Advisory Committee.

Strategic Goal #3, FUNDRAISING: The 2017 budget calls for the American Brain Foundation \$1.3 million for operating costs, and a little under half has been raised. At the same time, we have exceeded our annual fundraising goal for restricted funds (for research) already. One pathway to sustainability may be an endowment fund to cover operational costs.

Strategic Goal #4, THRIVING PARTNERSHIP: The ABF and AAN have made good progress in reinventing their relationship, as evidenced by our Principles of Joint

Collaboration. Jane Ransom pointed out that the ABF's biggest fundraising successes have been in raising money for new Clinical Research Training Scholarships. She thinks the Foundation could be doing more fundraising for other parts of the AAN's expanded research program, but it would require a rethinking of our current collaboration model.

- 3. Fund Development Report:** Ms. Rucks highlighted two special initiatives that the Foundation is looking forward to. The first a theater night at Park Square Theater in St. Paul, MN, organized around a play about a family struggling with the effects of Alzheimer's. The second is a media campaign highlighting Ben Utecht as the "Head Coach" giving tips on concussion awareness.

Mr. Utecht stated that he was working Ms. Ransom and Ms. Rucks on the "Head Coach" idea because it encourages you to think about the health and wellness of your body, brain, and athletic core. Currently, the Foundation is looking for sponsors for the media campaign.

The Board discussed the "Head Coach" idea and its potential for other uses. The ABF and NFLPA are discussing a long-term partnership. We are hoping that the NFLPA and its sponsors will establish an athlete brain health fund at the American Brain Foundation. Annual activities, tied to the Super Bowl, would then highlight the research being done as a result of this fund.

Dr. Smith stated that there might be an opportunity to partner with the University of Utah, which is the official team of physicians for the Olympic. It might be a good time to make a connection between the Foundation and the University of Utah. Dr. Sirven stated that the Ad Council may provide opportunities for the American Brain Foundation as a non-profit, but they are picky about the ads they choose. Ms. Rydell explained that the Academy considered the Ad Council and found that they had a bias toward youth. The "Head Coach" would be a good fit. Mr. Gasby offered to reach out to the Ad Council through a retired contact.

Ms. Rucks stated that the Foundation continues to leverage the Foundation's 25-year anniversary, which includes the launch of the Rowland Circle. There will be a reception in Los Angeles for Rowland Circle members before the Commitment to Cures event. As always, the Foundation is looking to leverage the Academy's support both amongst their membership and in their research. The Board discussed possibly adjusting suggested contribution levels to the Foundation, based on the career level of members, during the annual membership campaign.

- 4. Commitment to Cures Committee Report:** Dr. Sirven stated that \$300,000 was raised between sponsorships and major gifts in Boston. That was five times more than 2016 Commitment to Cures. The Committee has already started planning for 2018's meeting in Los Angeles. Dr. Sirven wants to involve as many Los Angeles and California-based members of the Board as possible. The Foundation is already reaching out to early funders and sponsors in Los Angeles, through institutions. Now is the time to start thinking about sponsors for tables because of the fiscal calendar, which starts on July 1st. This is the moment that decisions need to be made for departmental budgets and academic institutions. There will also be a strong media presence in Los Angeles that can be

leveraged. Mr. Goodno wanted to understand the net income of the event, which Dr. Sirven clarified was \$250,000.

The Board discussed Commitment to Cures 2017 and stated that the event was a step-up from previous years. Some of the Board felt that the ask for money at the end of the program was both effective and a little awkward. We should try to make sure the solicitation at the end of the program is not a surprise. The Board also discussed the pitch for sponsoring a table. The Board stated that stars would be a big draw and that location of the event would be key. They wanted to know if it would be possible to bring past PLINA Recipients back as a “Hall of Fame.”

5. **Research Advisory Committee:** Ms. Ransom explained that the Research Advisory Committee was meeting the next day (June 19), and they would be looking at all the crowdfunding applications that had been submitted to make sure the vetting process is up to par.

The Committee is also discussing how partner organizations can be brought in on the crowdfunding site; how crowdfunding projects could also be considered a part of major giving campaigns; and how current partners with the CRTS’s can be approached to increase their giving in the coming years.

4. **Strategic Planning Committee:** Dr. Shulman explained that the Committee has altered their schedule of meetings to coincide with each quarter, so they have not met since April. The next meeting will be on August 14.
5. **Governance Committee:** Mr. Goodno stated that the Committee is focused on adding two new neurologists and two new public members for 2018. There was a great response from the survey resulting in over 50 suggestions for potential Board candidates. It’s the job of the Committee to sift through those and narrow the group of candidates. There are several current Board Members that are up for renewal, and there is one officer who is term limited by his position.

The Board discussed when the Committee would finalize their choices. Mr. Goodno stated that they would have new officers beginning January 2018.

6. **Gift Acceptance and Recognition Policy:** Ms. Ransom presented the new gift acceptance and recognition policy, which she described as much more robust than the previous one. The policy was reviewed by Marty Shenkman, the Executive Committee, and the Foundation’s legal counsel. Ms. Ransom asked that these policies be adopted by the Board.

Mr. Goodno proposed a motion to accept the Gift Acceptance and Recognition Policy. Motion Accepted (Unanimously).

7. **Special Proposal:** Dr. Rosenfeld presented a brief proposal that the Foundation organize a seminar or debate at the Academy’s Annual Meeting on the subject of common mechanisms transcending various disease states. This would help build the Foundation’s presence and promote our core approach—cure one, cure many.

The Board discussed this proposal. There were concerns that a new event might be a distraction. It might be possible to do the event through the AAN. There are a variety of proposals, and it might be possible to pitch this proposal through the AAN's Controversies Forum. It might be possible to do a smaller platform, but it depends on what the goal is. Dr. Rosenfeld clarified that it was not his intention to create a new event separate from the Annual Meeting. It does bring up larger questions of how the Foundation is pitched during Plenary Sessions. It also might be an opportunity to bring in previous CRTS recipients to do a pro/con session.

Dr. Sacco suggested that Dr. Rosenfeld take his idea through the appropriate channels with the support of the Board. Dr. Shulman stated that it might be a good Experiential Learning seminar on how to apply to the crowdfunding site, which was done last year but would be a good topic in coming years. Mr. Goodno questioned if these additional events at Annual Meeting were helping the Foundation's larger goals.

Jane Ransom will discuss Dr. Rosenfeld's proposal further with the AAN staff.

- 8. Leadership in Times of Organizational Change:** Ms. Classen led the Board through a discussion of current theories of effective nonprofit governance. (A report is included in the Board materials.)
- 9. Lunch Break:** The Board met in two groups to discuss developing a sustainable growth plan for the Foundation and deepening the AAN membership giving.

10. Small Group Discussion Reports:

GROUP 1: The first group reported on their topic of developing a sustainable growth plan for the Foundation. Some of their ideas included an endowment campaign, which could be achieved through major donor philanthropy, corporate philanthropy, and through the leveraging of the Academy's membership. They discussed creating a message with the public members of the Board to add a public image to the issues around brain disease. They also want to start building operational costs into every active project. They also discussed membership models, endorsement models, the idea of a brain health program, which could be offered to kids playing sports.

GROUP 2: The second group reported on deepening AAN membership giving. The Academy has 37 sections of specialty, which communicates through web-based platforms that meet at the Annual Meeting. The AAN's Member Engagement Committee might be a beneficial partner in understanding how to approach these sections. The group also discussed involving medical students to establish a crowdfunding marketing posse, working with NeurologyNow more effectively, reviving "Buy a Brain" with bigger interests, a joint AAN/ABF website, wine and cheese celebrations for key associations and donors, and for the Foundation to make a strong presence at the Fall/Winter Sports concussions events.

Mr. Gasby posed the question to the neurologist board members about why they decided to become neurologists. The Board has discussed the cost to the public members of the Board, but have not spoken about the why neurologists become neurologists. The compelling stories shared by Drs. Sacco, Rosenfeld, Smith, Shulman and Sirven demonstrated that the American Brain Foundation should also feature some stories about neurologists.