



**Compensation Committee**

**February 19, 2019**

**5:00 pm ET / 4:00 pm CT / 3:00 pm MT / 2:00 pm PT**

**Conference Call**

**Call in #: 866-740-1260**

**Access code: 9286317**

**Chair Code: 4040**

**Committee Members**

Ralph Józefowicz, Chair; Martin Shenkman; Lisa Shulman, MD

**Staff**

Jane Ransom, Tim Engel, CFO; Natalie Baumgartner

	<b>AGENDA ITEM</b>	<b>PRESENTED BY</b>
4:00 pm CT	<b>1. Call to Order</b>	Dr. Józefowicz, Chair
4:05	<b>2. Approve Minutes of December 4, 2018</b>	Dr. Józefowicz
4:10	<b>3. 2019 Incentive Recommendation</b>	Tim Engel, CFO, & Jane Ransom, ED
4:30	<b>4. 2018 Incentive Recommendation</b>	Dr. Józefowicz & Tim Engel
4:45	<b>5. Executive Director Performance Review &amp; Recommendation</b>	Dr. Józefowicz
5:00	<b>Adjourn</b>	
	<b>Attachments:</b> <ul style="list-style-type: none"> <li>• Minutes of December 4, 2018 committee meeting (pg. 2)</li> <li>• Survey results from 2018 ED performance review (distributed by Chair)</li> <li>• 2018 Incentive (distributed by Chair)</li> <li>• 2019 Incentive (pg. 4)</li> </ul>	



**American Brain Foundation  
Compensation Committee Meeting  
December 4, 2018  
5:00 pm ET / 4:00 pm CT  
Held via Conference Call**

**In attendance:** Dr. Józefowicz, MD, Chair; Martin Shenkman, CPA; Lisa Shulman, MD

**Staff:** Jane Ransom, Tim Engel, CFO; Natalie Baumgartner

Dr. Józefowicz called the meeting to discuss 2019 incentive goals and the executive director performance review for 2018.

**MOTION:** Approval of February 13, 2018 minutes.

**Approved** (Unanimous).

1. **2018 ED Performance Review:** The performance review is completed using a survey. The Executive Director's incentive is determined by the results of the Scorecard and its impact on the incentive results from 2018.

The 2017 survey was adapted from the AAN survey for their CEO. Ms. Ransom suggested that question three be edited to include "nonprofit management principles" and remove "association management principles". The question will read: "Displays working knowledge of nonprofit management principles." The Committee agreed to this change.

There was discussion around including a question evaluating how financial statements are presented. However, the Committee decided that the question was too narrow for purposes of this survey. Dr. Jozefowicz also reported that substantial changes have recently been made to the presentation of the Foundation's financial statement, and he expects the Board to be happy with them.

The survey will be sent out by the AAN HR Director to the Board of Directors in January. This will be an anonymous survey, and the results of the survey will be given to Dr. Józefowicz and Mr. Goodno, who will discuss the results with Ms. Ransom. The survey will be used to determine if there is a salary increase for the Executive Director.

The Committee agreed to have a Compensation Committee meeting on February 21, to go over the results of the survey and develop a recommendation prior to the Joint Compensation and Executive Committee meeting on February 24.

The Committee agreed to send the survey out in January 2019.

2. **Set 2019 Incentive Goals:** The Committee revised the 2018 incentive goals for 2019. Under Research, since the Foundation will not be actively soliciting crowdfunding project proposals in 2019, the crowdfunding goal will need to change.

The Committee agreed that the Foundation's delivery of the evaluation and strategy report on crowdfunding readiness and the evaluation and strategy report for ABF research portfolio by June were essential to 2019. The threshold for both would be the completion of the

reports by June 2019. There will be no set target or maximum. Instead, the Committee will subjectively evaluate the value of the reports to give the maximum reward.

The Committee agreed that the public engagement goal of increasing site traffic through page views, philanthropy goals for restricted and unrestricted funds raised, the number of AAN and public donors, and the net operating increase would remain 2019 incentive goals.

The Committee agreed to make the signed partnership agreement with AAN for 2020 and beyond a 2019 incentive goal. The goal's threshold is a signed agreement, but the Committee will subjectively evaluate the value of the agreement to give the maximum reward, like the Research Clearing House reports above.

The Committee designed a tentative weighting system as the result of additional incentive goals. It is as follows:

- Evaluation and Strategy Report for Crowdfunding Readiness, prepared by June – 5%
- Evaluation and Strategy Report for ABF research portfolio developed by June – 5%
- Increased site traffic (page views) – 10%
- Funds Raised
  - Restricted – 20%
  - Unrestricted/Operating – 20%
- Number of Donors (Total) – 10%
  - AAN Members
  - Public
- Net Operating Increase – 10%
- Signed Partnership Agreement with AAN – 20%

The Committee agreed that they would like to see a draft of the above incentive goals with weights presented and populated for comments in January. Mr. Engel agreed to populate it with final numbers and a calculation of what the 2019 incentive goals might look like.

**Adjourned 4:35 pm CT.**

# American Brain Foundation

## Draft 2019 Incentive Goals

	<u>2018 Actual</u>	<u>2019</u>			<u>Weight</u>	<u>Basis</u>		
		<u>Threshold</u>	<u>Target</u>	<u>Maximum</u>		<u>Threshold</u>	<u>Target</u>	<u>Maximum</u>
<b><u>Public Engagement</u></b>								
Increased site traffic (# of Users)	35,000	36,750	40,425	46,489	10%	5% above 2018 Actual	10% over Threshold	15% over Threshold
<b><u>Philanthropy</u></b>								
Total Restricted Funds Raised	\$ 3,288,561	3,500,000	3,605,000	3,675,000	20%	Board Scorecard Budget	3% over Threshold	5% over Threshold
Unrestricted Operating Grants (Including AAN)		\$1,847,875	\$ 1,903,311	\$ 1,940,269	20%		3% over Threshold	5% over Threshold
Total Number of Donors	2,638	2,717	2,799	2,853.0	10%	3% above 2018 Actual	3% over Threshold	5% over Threshold
<b><u>Financial</u></b>								
Net Operating Increase	\$ 92,164	(281,000)	\$ -	\$ 101,932	10%	Budget	Breakeven	Average of Last Three Years
<b><u>Strategic</u></b>								
Signed Partnership Agreement with AAN 2020 and beyond	N/A	Completed	Quality Grade	Quality Grade	20%	Completion June 2019	Agreement, Grade by Committee/Board	Agreement, Grade by Committee/Board
Crowd Funding Strategy	N/A	Completed	Quality Grade	Quality Grade	10%	Completion June 2019	Quality of Strategy, Grade By Committee/Board	Quality of Strategy, Grade By Committee/Board
					<u>100%</u>			

Net Operating

2018 \$ 92,164

2017 \$ 21,517

2016 \$ 192,116

Average \$101,932.33