



**Executive Committee
Thurs., Feb. 9, 2017
2:00 p.m. EST/1:00 p.m. CST/12:00 p.m. MST/11:00 a.m. PST**

**Call-in number: 866-740-1260
Access code: 9286317**

Members

Kevin Goodno, Chair; John Mazziotta, MD; Gordon Smith, MD;
Robert Griggs, MD, Ralph Jozefowicz, MD

Staff

Jane Ransom, ED; Tim Engel, CFO

AGENDA ITEM

PRESENTED BY

Approve minutes from December 5, 2016

Kevin Goodno

Executive Director Review and Compensation Recommendation

- **Q&A with Jane Ransom and Tim Engel**
- **Executive Session**

Ralph
Jozefowicz

Adjourn



**American Brain Foundation
Compensation Committee Meeting
Monday, December 5, 2016
Held via Teleconference**

Call to order: Monday, December 5, 2016 at 11:00 a.m. CST by Ralph Józefowicz, MD, Chair.

In attendance: Ralph Józefowicz, MD; Terrance Cascino, MD; Lisa Sherman, MD; Robert Griggs, MD

Staff: Jane Ransom; Tim Engel

Dr. Jozefowicz called the meeting to order at 11:00 a.m. CST.

1. **Committee Timeline:** Dr. Józefowicz reviewed the December 2016 - February 2017 committee timeline. The purpose of this meeting is to recommend the 2017 incentive goals to the Executive Committee. In January of 2017, the committee will reconvene for work on the CEO's 2016 performance review.
2. **2017 CEO Incentive:** The committee reviewed the ABF's 2017 Board Scorecard and from it selected five areas for 2017 incentive goal-setting:
 1. Number of peer-reviewed proposals posted on crowdfunding platform
 2. Increased website traffic
 3. Total funds raised
 4. Number of donors
 - i. AAN members
 - ii. Public
 5. Financial health

Each of the five goals was tentatively weighted at 20 percent of the total. Jane Ransom will draft an incentive plan which includes Threshold, Target and Maximum goals for each of the five areas. It will be distributed to the Compensation Committee in time to add comments prior to the Executive Committee meeting of December 12, 2016. Dr. Józefowicz will present the committee's recommendation to the Executive Committee.

3. **2016 CEO Performance Review:** In preparation for the 2016 CEO performance review, Tim will send a copy of the AAN CEO performance review questionnaire to Dr. Józefowicz. Dr. Józefowicz will revise it as appropriate for the ABF and distribute it to the Board.

Meeting adjourned at 11:48 a.m. CST.



**AMERICAN BRAIN FOUNDATION
Compensation Committee
February 6, 2017**

11:00 a.m. EST/10:00 a.m. CST/9:00 a.m. MST/8:00 a.m. PST

**Call-in number: 866-740-1260
Access code: 9286317**

| | |
|----------------|--|
| Members | Ralph Jozefowicz, MD, Chair; Terrence Cascino, MD; Robert Griggs, MD; Lisa Shulman, MD |
| Staff | Jane Ransom, ED; Tim Engel, CFO |

| AGENDA ITEM | PRESENTED BY |
|--------------------|---------------------|
|--------------------|---------------------|

| | |
|--|------------------|
| Approve minutes of Dec. 5, 2016 meeting | Ralph Jozefowicz |
| Executive Director Review of 2016 | Jane Ransom |
| CFO Report on ABF 2016 Results and Incentive Goals | Tim Engel |
| Executive Session: <ul style="list-style-type: none"> • Recommend merit increase • Recommend incentive bonus | Ralph Jozefowicz |

American Brain Foundation

2016 Incentive Goals

| | <u>As of 12/31</u> | <u>Threshold</u> | <u>Target</u> | <u>Maximum</u> | <u>Weight</u> |
|--|--------------------|---|---------------|----------------|---------------|
| 1. <u>Strategic Plan</u> | | | | | |
| Complete strategic plan and pivot toward execution | | | | | |
| | | <u>Performance Indicators:</u> | | | |
| | • | Strategic Plan completed | | | 25% |
| | • | Goals, budget and action steps are developed for 2017 | | | |
| | • | Expertise secured for key initiatives (marketing and crowd-funding) | | | |
| | • | Metrics completed for measuring each of the four major strategies | | | |
| | • | ABF/AAN Memorandum of Understanding signed | | | |
| 2. <u>Fundraising</u> | | | | | |
| Raise \$762,500 | | \$762,500 ¹ | \$875,000 | \$1,000,000 | 50% |
| 3. <u>Financial Health</u> | | | | | |
| Net operating increase ¹ | | (\$98,135) | (\$49,067) | \$0 | 25% |

¹ This assumes the \$200,000 contingency in the budget is used.

MEMORANDUM

TO: ABF Compensation Committee
FROM: Jane Ransom
DATE: February 2, 2017, 2017
SUBJECT: Information for 2016 ED Performance Evaluation

Goal #1: Complete Strategic Plan and Pivot Toward Execution

Five performance indicators were incorporated to help assess progress toward the overall goal. Below I very briefly present the progress we've made under each of the indicators.

- 1. Strategic Plan completed:** The ABF's strategic plan for the years 2017-2021 was completed and adopted by the Board of Directors on September 18, 2017. The plan grew out of a robust process led by the Board's Strategic Planning Committee, and supported by investigation into brain disease research grant-making needs; best practices of similar foundations and nonprofits; and the views of AAN members and major donors gathered through surveys and interviews. A five-year financial forecast for the plan's implementation was simultaneously presented to the Board.
- 2. Goals, budget, and action steps are developed for 2017:** The Board adopted a new scorecard with metrics for measuring progress on the strategic plan on October 20, 2016 meeting. The 2017 goals and operations plan (incorporating specific action steps for each project) were developed in alignment with this scorecard. The 2017 budget for the first year of strategic plan implementation, was presented to and adopted by the Board on November 17, 2016. In addition, the ED presented the specifics of the 2017 fundraising plan at the Board's September and November, 2016 meetings.
- 3. Expertise secured for key initiatives (marketing and crowdfunding):** In August, 2016 the ABF secured the services of the Weber Shandwick marketing and communications firm to build the ABF's new website with crowdfunding platform, and to develop a national marketing plan. Key features of the marketing plan were presented at the Board's September, 2016 meeting. Work on the marketing initiatives proceeded throughout the fall of 2016 so that these key initiatives can be unrolled during 2017.
- 4. Metrics completed for measuring each of the four strategies:** A Board Scorecard, with threshold, target and maximum progress levels for each of the four strategies was completed and adopted by the Board on October 20, 2016. (See attached.)
- 5. ABF/AAN Memorandum of Understanding signed:** In September, 2017 the ABF and AAN Boards adopted Principles of Joint Collaboration (2017-19). By the end of the year, a Management Services Agreement (MSA), aligned with the "Principles" document, was completed.)The MSA, which took effect on Jan. 1, 2017, was signed in January to accommodate the travel schedule of one of the parties.

MEMORANDUM

Goal #2: Raise \$762,500 Through Fundraising

The ABF's total fundraising revenue for 2016 was \$2.7 million. This includes the AAN's generous grant of \$1.1 million toward ABF operations, which was not included in the fundraising goal as stated in the 2016 incentive plan. The ABF raised an additional \$1.6 million--\$798,000 to cover its operations, as well as restricted gifts in the amount of \$802,000.

Goal #3: Finish 2016 with Net Operating Revenue of (\$98,135)

The unaudited financial statements for 2016 show an operating surplus of \$415,000.

ABF Board Scorecard – 2017

| Research Clearinghouse: Construct a virtual platform to match the best science with the largest pool of committed donors to advance a continuum of research. | | | |
|--|---------------------------------|--------------------|--------------------|
| Outcomes | Threshold | Target | Max. |
| 1. Number of peer-reviewed proposals posted on crowdfunding platform | 10 | 25 | 50 |
| 2. Number of crowdfunding donors | <i>Benchmarking during 2017</i> | | |
| 3. Amount of money granted to defeat brain disease | <i>Benchmarking during 2017</i> | | |
| Public Engagement: Build the ABF brand around our unique niche. | | | |
| Outcomes | Threshold | Target | Max. |
| 1. Stakeholder awareness ⁱ | <i>See endnote</i> | | |
| 2. Increased site traffic | 50,000 | | |
| 3. Increased site conversion (from visitor to donor) | <i>Benchmarking during 2017</i> | | |
| Philanthropy: Develop full-fledged public support and deepen giving from AAN members | | | |
| Outcomes | Threshold | Target | Max. |
| 1. Total funds raised | \$1,350,000 | \$1,830,000 | \$2,287,000 |
| 2. Major donor pipeline value | <i>ED to propose target</i> | | |
| 3. Number of new donors | 900 | 990 | 1188 |
| 4. Number of donors a. AAN members b. Public | a. 1,830 b. 450 | a. 2,013 b. 495 | a. 2,416 b. 594 |
| A Thriving Partnership: Align the goals and leadership of the AAN and ABF. | | | |
| Outcomes | Threshold | Target | Max. |
| 1. Number of AAN members who are aware of the ABF ⁱⁱ | <i>See endnote</i> | | |
| 2. Number of AAN members donating to the ABF | <i>See 4a above.</i> | | |
| 3. Number of AAN staff donating to the ABF | 50% | 70% | 90% |
| 4. New money raised for AANI research agenda-i.e., projected # of CRTS contracts signed by the end of the year. | 10 ⁱⁱⁱ | 12 | 14 |

i Brain Disease - Public Understanding

Baseline: 59.64%

Benchmark: 64.9% \pm 4.23%

ABF - Public Awareness

Baseline: 3.27%

Benchmark: 6.33% \pm 2.15%

ii ABF - AAN Awareness

Baseline: 77%

Benchmark: 80.29% \pm 2.62%

iii The threshold number was suggested to us by the Academy when the ABF took over a portion of CRTS fundraising.

**American Brain Foundation
Plan Model**

| | Incentive Goals | | | | <u>Weighted Score</u> |
|--|--------------------|------------------|---------------|----------------|-----------------------|
| | <u>2016 Actual</u> | <u>Threshold</u> | <u>Target</u> | <u>Maximum</u> | |

1. Strategic Plan

| | | | | | | |
|-----------|---|--|-----|--|------|------|
| Completed | Performance Indicators: | | | | | |
| Completed | <ul style="list-style-type: none"> Strategic Plan completed Goals, budget and action steps are developed for 2017 | | | | | |
| Completed | Complete strategic plan and pivot toward execution | | 25% | | 1.50 | 0.38 |
| Completed | <ul style="list-style-type: none"> Expertise secured for key initiatives (marketing and crowdfunding) Metrics completed for measuring each of the four major strategies ABF/AAN Memorandum of Understanding signed | | | | | |

2. Fundraising

| | | | | | | | |
|----|---------|-----------|-----------|-------------|-----|------|------|
| \$ | 798,726 | \$762,500 | \$875,000 | \$1,000,000 | 50% | 1.50 | 0.75 |
|----|---------|-----------|-----------|-------------|-----|------|------|

3. Financial Health

Net Operating Increase(1) \$ 412,489 (\$98,135) (\$49,067) \$0 25% 1.50 0.38
 (1) This assumes the \$200K contingency in the budget is used

| Incentive Award- Sample Score Reflects how the Plan Places a Limit on Award | | | |
|---|------------------|---------------|--------------|
| | <u>Threshold</u> | <u>Target</u> | <u>Model</u> |
| Grade Level | (Budget) | Maximum | Award % |
| CEO | 5% | 10% | 15% |
| CEO | 5% | 10% | 15% |
| | | | 1.50 |
| | | | 0.38 |
| | | | 1.50 |
| | | | 0.38 |

CEO/ED 2016 Incentive Award

Base Salary x Award % = Incentive Award

American Brain Foundation

2016 Incentive Goals - Results

| | | Incentive Goals | | | | | | | |
|---|--------------------|---|---------------|----------------|---------------|--------------|----------------------|--------------|-----------------------|
| | <u>2016 Actual</u> | <u>Threshold</u> | <u>Target</u> | <u>Maximum</u> | <u>Weight</u> | <u>Score</u> | <u>Interpolation</u> | <u>Score</u> | <u>Weighted Score</u> |
| <u>1. Strategic Plan</u> | | | | | | | | | |
| | | <u>Performance Indicators:</u> | | | | | | | |
| | Completed | • Strategic Plan completed | | | | | | | |
| | Completed | • Goals, budget and action steps are developed for 2017 | | | | | | | |
| Complete strategic plan and pivot toward execution | Completed | | | | 25% | 1.50 | | 1.50 | 0.38 |
| | Completed | • Expertise secured for key initiatives (marketing and crowd-funding) | | | | | | | |
| | Completed | • Metrics completed for measuring each of the four major strategies | | | | | | | |
| | Completed | • ABF/AAN Memorandum of Understanding signed | | | | | | | |
| 2. Fundraising | \$ 798,726 | \$762,500 | \$875,000 | \$1,000,000 | 50% | 0.50 | 0.16 | 0.66 | 0.33 |
| 3. Financial Health | | | | | | | | | |
| Net Operating Increase(1) | \$ 412,489 | (\$98,135) | (\$49,067) | \$0 | 25% | 1.50 | | 1.50 | 0.38 |
| (1) This assumes the \$200K contingency in the budget is used | | | | | | | | | |
| | | | | | | | | | 1.08 |

CEO/ED 2016 Incentive Award

Merit Increase Ratings Definitions:

Unsatisfactory –

- Performance is consistently below expectations
- A rating at this level requires that a performance plan be written
- Does not demonstrate organizational values consistently
- *Supervision: Requires excessive time and attention by supervisor*

Solid Performer –

- Individuals in this category consistently meet expectations and at times exceed them.
- Consistently demonstrate organizational values
- The requirements of performance are met and goals and objectives are achieved

Outstanding Performance –

- Individuals in this category demonstrate exceptional ability to exhibit organizational values
- Meets all job competency requirements, planned goals and objectives are achieved well above expectations

Compensation Committee selects one of the three performance levels and works. AAN's HR staff will work with the board to determine merit increase based upon performance level and pay grade level.