

American Brain Foundation
Executive Committee Meeting
Monday, May 16, 2016
Held via Teleconference

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In attendance: Kevin P. Goodno, Chair; Robert C. Griggs, MD; A. Gordon Smith, MD

Staff: Timothy Engel, CFO; Jane Ransom

Excused: Ralph Józefowicz, MD

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The meeting was called to order at 1:33 p.m. by Chair Kevin Goodno who said that the only order of business was to talk about a 2016 incentive plan for ABF employees. The ABF was asked by the AAN to develop and pay for its own incentive plan in light of the Foundation's increasingly independent operations.

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1. Incentive Goals: Jane Ransom recommended three 2016 incentive goals, one for the strategic plan, one for fundraising and one for financial health. (Please see attachment for further details.) She proposed keeping the goals simple because the ABF has not yet drafted measures of progress related to the new strategic plan. While the three recommended goals are simple, they are at the same time challenging.

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2. Plan Structure: Tim Engel presented two optional structures for the ABF incentive plan:

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a) Based on AAN plan with

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- i. Goals/Target set by Board/CEO
- ii. Goals have three levels
 - a. Threshold (budget)
 - b. Target
 - c. Maximum
- iii. Goals are weighted to reflect importance of goal
- iv. Award can range between 0% and 15% of base salary
- v. Results are scored based on level of Achievement
 - a. Threshold , .50 score
 - b. Target, 1.0 score
 - c. Maximum, 1.5 score
- vi. Formula calculates actual award as a percentage
- vii. Award level is capped
- viii. Award is contingent on Financial Trigger

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b) Discretionary with

- i. No formal award percentage
- ii. Award for CEO approved by Board
- iii. Award for staff approved by CEO

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Two motions were put forward and passed unanimously:

1. **MOTION** to adopt the structure modeled after the AAN's incentive structure.
2. **MOTION** to approve the 2016 incentive goals as recommended.

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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> Approval of Strategic Plan by Board of Directors ¹			Subjective Goal		34%
2. <u>Fundraising</u> Raise \$762,500 ²		\$762,500 ¹	\$785,375	\$808,936	33%
3. <u>Financial Health</u> Net operating increase ³		(\$98,135)	(\$49,068)	(\$18,000)	33%

Executive Director Recommendation

The ABF Board of Directors has asked that the Foundation's new strategic plan include a report card with fundraising and other metrics to measure the Foundation's progress as we work through the 5-year plan beginning in 2017. Since that report card is still being developed, I am recommending that we keep our 2016 incentive plan simple, as opposed to establishing more complex metrics for 2016, a year in which we are operating without a strategic plan.

I recommend three simple but challenging goals for 2016. The first is the completion of the strategic plan. The second is a fundraising goal linked to the threshold number in our 2016 budget and operating plan.⁴ The third is a goal aimed at improving the financial health of the organization by achieving a net operating increase. This goal is also linked to the 2016 budget, with the threshold number being the one that appears there.

¹ The strategic plan will include a multi-year budget.

² Values listed are what are in the budget or in the Ops Plan.

³ This assumes the \$200,000 contingency in the budget is used.

⁴ AAN matching funds are included in the fundraising goal of \$762,500.