



**American Brain Foundation  
Finance Committee Meeting  
March 26, 2019**

**4:30 p.m. ET/ 3:30 p.m. CT/ 2:30 p.m. MT/ 1:30 p.m. PT  
Conference Call**

**In attendance:** Ralph Józefowicz, MD, Chair; James Essey, Martin Shenkman, CPA; Lisa Shulman, MD

**Staff:** Jane Ransom, ED; Timothy Engel, CFO; Natalie Baumgartner

**Excused:** Sharon Klein; Joseph Sirven, MD

The purpose of this meeting was to continue discussing how the Foundation should approach its AAN presentation and to review the financial statements for period ending 2/28/2019. The minutes of the February 19, 2019 were approved unanimously.

- a. Financial statements for period ending 2/28/2019:** Tim Engel presented the financial statements and cashflow projection in summary:
  - i. The Foundation raised \$936K, of which \$807K is unrestricted revenue. This total does include the AANI 2019 grant.
  - ii. Operating expenses are running under budget, but it is too early to tell any trends.
  - iii. Cashflow projections for 2019 look good and will be regularly monitored.
  
- b. Presentation for AAN:**
  - i. The ABF is invited to present its plan to the AAN board on at their September 14<sup>th</sup> meeting. Prior to this, the Foundation will take part in listening sessions to determine critical issues that need to be addressed and more clearly explain the Foundation's successes.
    1. The first meeting in May will include the Foundation's officers and the AAN's officers on a conference call. The Foundation will listen to the AAN's concerns and for what they would like to see from the Foundation's presentation.
    2. The second will be at the AAN's June Board meeting with Mr. Goodno and Ms. Ransom listening to the AAN Board discuss their hopes and concerns regarding the Foundation.
  
  - ii. **Discussion:**

Committee members stressed the need to use data to tell the story of its post-reorganization success. We should show that the AAN is raising more research dollars than the AAN is or than the AAN Foundation has. The AAN could take the Foundation's staff and raise money in the short term, but the Foundation is building public awareness and growing a public donor base, which is something the AAN cannot do as successfully.

The AAN's goal is to support the neurologist member, which includes giving them tools, education, and funding career-building research, which only accounts for 10% of their total budget. If the Foundation was reabsorbed, the research budget would likely not change. The AAN must look at how they want to invest their time and money based on member needs, understanding that the public will not donate to an association.

The presentation to AAN needs to focus on data and outcomes. The Foundation needs to look at the data of how much money was raised and from who (members vs. public). The Foundation was run as a division of the AAN until 2015. The Foundation needs to determine who raised the money and how the sources of revenue have changed over time.

The Foundation also needs to determine how much the AAN paid for the Foundation's operating expenses in years prior to the re-organization. The Foundation now pays a management fee, which results in the net AANI grant being around \$400K. The Foundation needs to make the AAN Board aware of how much money has been transferred in both directions.

The Foundation has been asked not to approach pharmaceutical companies, but this issue needs to be revisited since these companies have two kinds of grants: educational and research. The Foundation could access the research grants, and AAN could keep receiving the education grants. The Foundation needs to make an argument of why accessing pharmaceutical companies is important.

The Foundation will likely present two forecasts for the future. They are the steady growth rate forecast and the high risk, high reward forecast. Both visions need to illustrate how much revenue is needed and what programming the Foundation would fund. These two strategies are reflective of the multi-year budgets presented during the February Board meeting. These visions need to get people excited about the future of the Foundation.

The AAN has a huge commitment to the research program, and they have wanted to expand their support of career development awards. This is an important avenue of approach for the AAN presentation. The AAN's focus has changed in the last few years, but the Foundation could lift the burden from the AAN in terms of research funding.

The Committee agrees that the Foundation needs to present solid data on revenue growth and sources. The Foundation needs to better highlight the transfer of funds between the organizations. The Foundation needs to craft the historical story of the AAN's relatively small investment with high returns relationship with the AAN.

- i. The Foundation did not hire a new Executive Director until mid-2015, and spent a year doing strategic planning because the research program and pharmaceutical money (industry round table) was taken out of the Foundation.

- ii. It did not begin implementation of the new strategic plan was not implemented until 2017.
- iii. The Committee agreed that the zero-bottom line in the conservative budget needed to show a small profit. The Foundation will have a first draft of the presentation ready by June 12 to present to the Finance Committee.

**Meeting Adjourned: 4:29 p.m. CT**