



**American Brain Foundation
Board of Directors
January 12, 2018
1:00 pm ET
Orlando, FL**

Call to Order: Friday, January 12, 2018, at 1:00 pm E.T. by Board Chair Kevin Goodno.
Quorum was present.

In Attendance: Kevin Goodno, Chair; James Essey, Robert Griggs, MD; Dan Gasby; Shafali Jeste, MD; Ralph Jozefowicz, MD; Edgar Kenton, III, MD; Jeffrey Rosenfeld, MD; Joseph Sirven, MD; Lisa Shulman, MD; Gordon Smith, MD; Susan Schneider Williams

Staff: Jane Ransom, Shelly Collins Rucks, Tim Engel, CFO; Marlys Weyandt, Stephanie Olson, Natalie Baumgartner

Guests: James Stevens, MD

Excused: David Eagleman, PhD; Dan Gasby, John Mazziotta, MD; Bruce Miller, MD; Catherine Rydell, CAE; Ralph Sacco, MD; Martin Shenkman, CPA; Ben Utecht

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

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

Minutes: Minutes from December 21, 2017, Board of Directors meeting were reviewed.

MOTION to approve the ABF Board of Directors minutes from December 21, 2017.

Approved (Unanimous).

1. **Strategic Planning Report:** Dr. Shulman explained the tentative 2017 Board Scorecard to the Board. The Scorecard has been updated to include red, yellow, or green color blocks to highlight goals that are just under the threshold (yellow), goals that are more significantly under the threshold (red), and goals that are at or above the threshold (green). The Scorecard should be used as a weather vane. It includes a column of the previous quarter's total, as well as one with tentative final quarter data.
 - a) **Strategic Goal #1 (Research):** Most of these goals are being benchmarked this year. The goal for projects posted on the crowdfunding site was not achieved, but there are 11 LOIs and one approved project in the crowdfunding site pipeline. Dr. Griggs acknowledged that the site is growing, but that it will take some marketing work to move these projects forward.

The Board wanted to understand if the Foundation was including CRTS's on the crowdfunding site, and they agreed that we should in the future. They asked if projects with smaller, more achievable goals could also be posted on the crowdfunding site.

The new Board members wanted to understand more about the Foundation's role in CRTS's. Even though the Foundation funds CRTS's alongside AAN, they are not mentioned on our website. Staff pointed out that they are listed in the "About Us" section of the website, but agreed that more should be done to highlight them.

- b) Strategic Goal #2 (Public Outreach):** The Foundation is using surveys to find out about public and AAN member awareness about the Foundation's mission. Between the third and fourth quarters of 2017, there was an increase in the number visitors converting into donors, from 0.65% to of 0.75%. The nonprofit industry standard conversion rate is 1.1%.

The Board wanted to understand what the Foundation was doing to move conversions up. Site traffic has been driven up through paid activity on Facebook and year end campaigns. This data is based on three-quarters of the year.

- c) Strategic Goal #3 (Philanthropy):** The Foundation exceeded its fundraising goal for restricted by four times the maximum target. However, we did not reach the threshold goal for operating funds. The major donor pipeline is above the goal. Additionally, new donors have increased but still fall short of the threshold goal. (These numbers are likely to rise when final data for December 31 has been compiled.)
- d) Strategic Goal #4 (AAN Partnership):** A survey is underway to measure AAN member awareness of the Foundation. The number of AAN staff donating to the Foundation is at 51%, which is above the threshold.
- e) Summary:** This is a critical time for the crowdfunding site. There needs to be a faster pace in building up unrestricted funds, but is the timeline for unrestricted funding reasonable? The Foundation and Board needs to continue to review their business model.

The Board asked staff to consider whether the dues check-off system is capturing as many AAN members as it potentially could, and whether there could be a streamlined process for donating honoraria to the Foundation. Also, are we letting people off the hook from making donations when their institutions pay their dues, thereby automatically declining to give to the Foundation?

- 2. Executive Director Report:** Ms. Ransom welcomed the new Board members and Dr. Stevens, who attended to represent the AAN leadership. In 2017, the Foundation has had some big wins, including the McKnight Brain Research, which created 10 CRTS's in cognitive aging and age-related memory loss. The Foundation established three Mary Groff Lewy Body Dementia Scholarships, launched the Rowland Circle, and established the Athlete Brain Health Fund.

The Foundation needs to continue to address the underlying problem of restricted vs. operating funds. The 2017 budget should end up as a balanced budget due to expense

controls. Year-end fundraising included the Employee Giving Campaign, Standing Strong, the YearEnd Campaign and the Rowland Circle.

The Board discussed the financial relationship between the Foundation and the AAN. A slide showing the cash flows between the two organizations suggests that we have been understating the impact of the Foundation. The relationship between the two organizations is increasingly one of interdependence, rather than of a one-sided dependence of the Foundation on the AAN.

The newly-established Athlete Brain Health Fund has strong potential to raise funds from non-pharma corporations because it is to be guided by the International Sponsor Council, a global trade association of corporate sponsors.

The Board discussed the importance of reaching out to AAN members and emulating BRAINPAC through presence at conferences and other marketing.

3. **Financial Report:** The Foundation will have a balanced 2017 budget. Operating funds are down, which is concerning. This is offset by the stock market doing well and good expense management by the staff.

The Foundation's ratios between programming, management, and fundraising are improving and, in this regard, the 2017 audit should look significantly better than the 2017 audit. The Board wanted to know more about how the time allocations were created. Ms. Ransom clarified that they were based on actual expenditures of staff time collected through three studies conducted in 2017.

The restricted net assets for the Foundation are at \$6.4 million, which is a preliminary number. Fifty percent of that is restricted to CRTS's. The Foundation will have to continue to maintain the funding for CRTS's.

Board members discussed the continuing difficulty of raising operating funds. There was some discussion of an endowment campaign, but the staff believes we do not have a healthy enough base of major donors to embark on one. The staff believes we need to pursue a Sustaining Donor initiative to lay groundwork for endowment-building.

There was some discussion of how to "sell" operations. Our operations budget allows us to execute on our mission of funding brain disease research. Therefore, we should be talking about our exciting and mission when we ask donors for unrestricted gifts. We should not be talking about "operations."

An unaudited financial statement for fiscal year 2017 will be presented at the February Board meeting.

4. **New Board Secure Site:** Ms. Baumgartner explained the new Board secure site, which houses meeting materials and corporate information. She gave them their password and a link to the page. She recommended that everyone from the Board login. The link to the secure site will be placed in every Board and committee meeting email, alongwith the

password needed for that meeting. Ms. Baumgartner offered assistance to any Board member who needs help navigating the site.

Fundraising Report: Ms. Rucks highlighted the operating vs. research budgets. In 2018, the Foundation's goal for operating funds is \$1.5 million. She reviewed the strategies for reaching this goal:

▪ Annual Fund	\$425,000	Audience Segmentation
▪ Major Gifts	\$765,000	Localize & Personalize
▪ Corporate Support	\$281,000	Growth through Partners & Events

The largest target is for major gifts. An important component will be a local major gifts campaign in Minnesota to become a template for campaigns on the east and west coasts. In 2018 cultivation events which introduce potential major donors to the Foundation will be especially important on the East and West coasts.

The Foundation is looking for Board Members' assistance in a variety of ways. though involvement in a variety of different ways. Ms. Ransom and Ms. Rucks will be reaching out personally to each Board member. Mr. Goodno also clarified that, for the most part, Board members are not necessarily expected to solicit gifts. Rather, they should help by opening doors to people and organizations that might have reason to want to give They can assist staff by offering leads, signing "thank you's", making a phone call, or offering an introduction. Everyone on the Board has talents and skills that the Foundation wants to utilize. Some board members worried that their participation in fundraising can be limited because they are part of academic institutions competing for neurology research dollars. Others pointed out that the Foundation's mission is usually different than that of an institution. On a one-to-one basis, clinicians can refer patients to the Foundation. Public practice neurologists have less of a barrier to donating and raising money for the Foundation.

There was discussion about the giving levels listed on the Foundation's website with some feeling that the giving levels are too low, and that major donor levels should be raised. Staff will follow up with Board members to move this discussion forward.

Board members urged that the Foundation continue to convey its historic, core message that it is funding a future army of neurologists has been a core message of the Many neurologists don't know that the Foundation is working to fund CRTS' or research in general. The Foundation is retaining people who would otherwise not find research dollars. There is opportunity to look at the numbers of people that the Foundation keeps from dropping out of the field.

Some Board members would like AAN to do more to raise awareness of the the Foundation among key segments of its membership, such as, participants in the AAN leadership programs, and recipients of awards and scholarships.

5. **Marketing Report:** Ms. Olson introduced herself to the Board, and she explained her role as 60% strategy and 40% project management. Her priorities as Marketing and Communications Manager are awareness toward the brand and a strong crowdfunding

plan. The Foundation has opportunities to improve the clarity, consistency, and authenticity of its brand. She wants to build upon the work of Weber Shandwick, but to take their work a step further by developing useful tools. The key challenges of developing a brand identity for the Foundation are that the public does not have a clear understanding of what brain disease is, and nor are they aware of the Foundation.

The crowdfunding site also presents challenges. There needs to be a single project focus to push one project in front of the public and create an early win while putting a little bit of marketing behind all the other projects on a smaller scale. A toolkit needs to be provided to researchers, partners, and organizations about how they can best support the project. The Board will also be armed with this for when they are out and talking about crowdfunding.

Tactics and timing are key. The crowdfunding needs to have more of a start-up mentality, to not be perceived as stale. This will be a year of experimentation, in which we start finding out what the right mix of projects and donors are.

The Foundation will take on three larger campaigns, develop a story, plan, and determine a channel for each project. Smaller projects will receive a plan, but won't receive the same push in hopes that as more people come to the site, they will start to feel the gains as well.

As the Foundation learns from these three big campaigns, lessons learned will be applied to the other campaigns. A marketing plan will be established around all the other projects. In the future, crowdfunding projects will not be put on the site without a marketing plan in place.

The Board wanted to know about the storytelling aspect of the marketing. There are many methods to delivering a message, whether through copy, video, or tv, but also through a patient, caregiver or researcher's updates. The Foundation's mission is to cure "brain disease" but no one gets "brain disease". They get ALS, MS, Parkinson's, etc. The question is: why would you give money to an organization that focuses on a broader mission instead of a disease specific organization? Ms. Olson stated that the Foundation's everyday messaging had to change to incorporate the "cure one, cure many" to make this happen. We need to better explain our position to our audience.

The Board suggested that a common mechanisms research project would be nice to have on the crowdfunding site to highlight the idea of "cure one, cure many".

Ms. Olson explained that most marketing strategy is done four to six months out to make sure everyone is aligned. She also asked the Board to follow the Foundation on social media and to be a brand ambassador. She mentioned that a toolkit will be in the pipeline.

6. **The Sustaining Donor Model:** Following up from its October 2017 meeting, in which the Board asked for more information the costs and benefits of implementing a sustaining donor fundraising model to develop more operational funding, Ms. Weyandt

presented a staff report. She explained that a sustaining donor model differs from an annual gift because it asks for a contribution into the unforeseeable future. This model focuses on retention, “a retained donor is a better sustained donor.”

There are several ways that a sustained donor can be engaged whether multi-level, single level, donor defined, or offering a tangible value, but which model is best? Many organizations put more than one form of engagement into their sustaining donor model. This model will require a strategic initiative to acquire new donors both in the public and amongst the AAN membership. There are assumptions that a sustaining donor model could impact cash-flow negatively, but thoughtful planning can mitigate negative impacts.

The Foundation has nearly 2,500 individual current donors, who will form the basis for building a sustaining donor model, but we will likely need 10,000 donors at \$150 annually to reach \$1.5 million in annual operating revenue from a sustaining donor program. Additionally, since only 4% of the Academy’s membership is giving to the Foundation, we will need to focus on targeting segments of the AAN population. The crowdfunding site will also offer opportunities to convert donors for individual projects to general support.

The planning phases for this program will take place during 2018. They are: 1) determining what kind of model for sustaining donors would best serve our organization, which will include strategic planning around how to convert current donors; 2) Discovery of how to offer value to donors, identifying possible segments of the population, and creating messaging that will appeal to them; and 3) Assessing the current database’s capability.

The Board recognized that BRAINPAC has been employing a sustaining donor model. The Foundation should be careful during year-end fundraising to make sure that sustaining donors are not being solicited.

Overall, the Board was favorable to the sustaining donor model and approach. There will need to be tangible benefits to public members. Success will require that the AAN truly embraces and collaborates with the Foundation on this initiative. Concern was expressed that the AAN does not include the Foundation in its leadership programs, and that CRTS recipients are unaware that they are receiving funding from the Foundation. It was also suggested that the AAN President Elect be officially part of the Foundation Board. In further discussion, Board members discussed making more of the fact that the Foundation funds the Academy’s scientific awards.

The staff is recommending that the Foundation roll out a sustaining donor program in 2019 and looks forward to discussing it further with the Board.

Adjourn 4:35 p.m. E.T.