



**American Brain Foundation
Board of Directors
November 13, 2018**

**10:00 am ET / 9:00 am CT / 8:00 a.m. MT / 7:00 am PT
Conference Call**

Call to Order: Tuesday, November 13, 2018, by Board Chair Kevin Goodno

In Attendance: Kevin Goodno, Chair; Susan Schneider Williams, Vice Chair; David Eagleman, PhD; Robert Griggs, MD; James Grotta, MD; Ralph Józefowicz, MD; Jeffrey Rosenfeld, MD; Joseph Sirven, MD; Martin Shenkman, CPA; Ben Utecht

Staff: Jane Ransom; Shelly Collins Rucks; Tim Engel, CFO; Lindsey Taveren; Natalie Baumgartner

Excused: David Dodick, MD; James Essey; Dan Gasby; Shafali Jeste, MD; John Mazziotta, MD; Catherine Rydell, CAE; Ralph Sacco, MD; Lisa Shulman, MD; Gordon Smith, MD

1) Executive Director Report: In fundraising news, the American Brain Foundation has received a verbal commitment of \$1.5 million toward the Lewy Body Dementia research award in early diagnostics. Additionally, the American Neurological Association is going to establish a donor advised fund whose main purpose will be to fund Clinical Research Training Scholarships.

The joint planning meetings between the Foundation and AAN staff are progressing, but the AAN Board may not be ready to vote on a new agreement in February because they might need more time to factor the Foundation into their strategic planning. The Foundation already has an agreement with the AAN for \$750,000 in 2019, but will need contingency plans for 2020 and beyond, should AAN funding not be forthcoming. The Board questioned AAN's hesitation with the Foundation. Ms. Ransom explained that the AAN leadership is supportive of the Foundation, but it needs to educate its newer board members, who may not know the history of the Foundation or its role in providing services to AAN members.

With crowdfunding, the Foundation will put more resources into building our social media following to ensure success for future crowdfunding campaigns. Based on industry standard, a minimum of 30,000 followers are needed to make a successful campaign. The Foundation currently has 6,000 followers. The Board had previously questioned if the Foundation was putting the horse before the cart, and after a several test campaigns, the Foundation found that each campaign fell short even with enthusiastic researchers in the lead. The Foundation is not ruling out crowdfunding campaigns in 2019, but we will prioritize building our audience over running campaigns.

With respect to the Board Scorecard, the Foundation is meeting its philanthropic goals for total funds raised, amount raised in crowdfunding, and amount raised for research (restricted), but the Foundation is lagging in unrestricted funds raised and the number of crowdfunding and website donors. The Foundation is on track to meet all its research goals. In the area of public awareness, our website is currently being corrected to better count the number of page views and increase our site traffic. The relationship between the resources

we put into crowdfunding campaigns and those we put into marketing has been out of balance. The Foundation is on track with its AAN Board and staff giving goals.

2) Board Chair Report:

- a) **Disclosure of Conflicts of Interest:** There were none.
- b) **Consent Agenda:** The consent agenda contained:
 - Minutes of the Board meeting of September 16, 2018
 - The new Record Retention Policy
 - The 2017 MN Charitable Organization Annual Report Form

MOTION to approve all the items on the consent agenda.

Approved (Unanimous).

3) Financial Review:

2018 Forecast: Since the last board meeting, Dr. Jozefowicz, Mr. Essey and staff have revised the layout of our financial statements so that the Board can see how much money has been raised, even if it is reserved for future years.

The forecast continues to indicate that the Foundation will end the year with a deficit.

The Foundation is in a strong cash position but is still experiencing a shortfall in general operating support.

Under the grants and gifts line, \$3.2M has been raised from a development standpoint from the AAN grant, the gift in kind, research awards, and overall total funds raised in 2018. From a GAAP standpoint, the Foundation cannot recognize some of these funds raised in 2018. Of the \$3.2M, \$1.1M is available for fund operations in the current year.

The Foundation has recognized \$1M in-kind gift in advertising, reflected in both the revenue and expense lines. These gifts in-kind are recognized at fair market value. Gifts in-kind are netted out of total revenue and expenses. This is a line item that will be included in all reports to the board moving forward.

The 2018 forecasted revenue and expenses will come in under budget. The lowered revenue forecast is because the Foundation was unable to start a \$250,000 fundraising campaign, planned for Minnesota during the second half of the year. The expenses are lower due to self-imposed cutbacks and in fewer personnel expenses. The forecast deficit for the year stands at \$212,000. The Foundation does have \$250,000 surplus revenue from a 2015 reserve for programmatic expenses with which it can cover most or all the 2018 deficit.

2019 Budget: The 2019 budget indicates that the amount raised will be \$5.6M. The grants released from restrictions will increase by \$861,000. There are expected increases in salaries and benefits, general office needs; software expenses for increased functionality of the fundraising database, and travel for conferences and donor

outreach. The Foundation has streamlined its professional expenses by using cost-effective vendors.

Ms. Rucks discussed fundraising initiatives planned for 2019. Three campaigns in California, Texas, and Minnesota which will be used to both raise money and acquire new major donors. The Foundation is looking into doing a fundraising event in the Hamptons. There will be an additional direct mailing appeal in February. The Annual Meeting booth will have a focus on recruiting sustaining donors. Commitment to Cures will continue as an important fundraising event for the Foundation at the AAN annual meeting. It will also build awareness of the Foundation.

Ms. Ransom discussed a multi-year budget that she and finance staff are working on. We are working to show a turn-around in the Foundation's deficit by 2021.

MOTION to approve the 2019 budget.

Approved (Unanimous).

- 4) **2019 Board Scorecard:** The Foundation's 2019 Board Scorecard will measure the same goals, but as stated earlier, building a public following will be prioritized over running crowdfunding campaigns in 2019. The 2019 Board Scorecard reflects this change with metrics relating to crowdfunding removed. The Foundation has included a metric for the creation of an Evaluation and Strategy Report for Crowdfunding Readiness, prepared by June 2019.

The basis for the Threshold, Target and Maximum goals used in 2018 will be the same in 2019, with the Threshold being the prior year actual, the Target being 3% more than the Threshold, and the Maximum being 5% more than the Threshold.

MOTION to approve the 2019 Board Scorecard.

Approved (Unanimous).

- 5) **Election of Members: Mr. Goodno recommended that all incoming members be voted on as a slate.**

Election of new board members for 2019:

- Sharon Klein, the President of Wilmington Trust
- Ron Petersen, MD, Mayo Clinic with a specialty in Alzheimer's

Re-Election of board member seeking a second term:

- Dan Gasby

Election of new Research Advisory Committee Members:

- Jose Cavazos, MD, a neurologist of epilepsy
- James Grotta, MD, a neurologist of stroke and current ABF Board member

- Phyllis Zee, MD, a neurologist of sleep disorders

MOTION to elect the slate of 2019 Board and Research Advisory Members.

Approved (Unanimous, except Dr. Grotta abstained due to conflict of interest)

Adjourned 10:00 a.m. CT.