



**American Brain Foundation
Finance Committee Meeting
Finance Committee
September 11, 2019**

**5:00 p.m. EST/ 4:00 p.m. CST/ 3:00 p.m. MST/ 2:00 p.m. PST
Conference Call**

In attendance: Ralph Józefowicz, MD, Chair; James Essey; Lisa Shulman, MD

Staff: Jane Ransom, ED; Timothy Engel, CFO; Lisa Deutsch

Excused: Sharon Klein; Martin Shenkman, CPA; Joseph Sirven, MD

The meeting was called to order at 4:02 p.m. The purpose of this meeting was to discuss the financial statements for the period ending 7/31/2019, the 2018 IRS 990 filing, and final review of the Business Plan for 2020-2024. Since there was no quorum, Ms. Ransom agreed to send an e-mail requesting approval of the June 12, 2019 meeting minutes.

- a. **Financial statements for period ending 7/31/2019:** Mr. Engel presented the financial statements and cashflow projection in summary to provide a preview of what is going to the AAN Board. The Foundation realized \$4.9M in revenue, with a net operating income of \$1M. Mr. Engel anticipates a positive year-end net income of \$152K.

Discussion:

1. The net operations increase is a very positive result, in light of our originally projected deficit.
 2. Development staff projections are on track to raise expected money before year-end.
 3. There are some variances in salaries and in-kind gifts.
 4. Our main expenses are development and fundraising assistance.
 5. Ms. Shulman inquired about the negative variance for the Commitment to Cures event. Mr. Engel explained that our anticipated expenses for Commitment to Cures were under budgeted. Overall the event was positive in terms of all money raised.
- b. **2018 IRS 990 Filing:** Mr. Engel presented the draft copy of the Foundation's IRS filing. This document was prepared by the finance staff, and was reviewed by independent counsel. It will be presented to the AAN board on Saturday.
 - i. The 990 report is an information only return and is provided to public. Organizations such as Charity Review and Guidestar who use this report to scrutinize our operations.
 - ii. Mr. Essey questioned why Schedule 1, page 2, does not list all of our grants. Mr. Engel explained that we only need to list grants over certain dollar amounts, we are not required to list all grants. A more complete awards list is on Schedule 1, page 3.

- iii. Mr. Essey would prefer to list all of the grants and awards for marketing purposes, versus showing them as a lump sum grant to the AAN.
 - iv. On page 2 of the return, item III, 4B also discusses awards.
 - v. Mr. Engel and Ms. Ransom will revise Schedule O to provide more detail on specific grants and awards.
- c. **Business Plan 2020-2024:** Ms. Ransom, Mr. Essey and three other board members are presenting the ABF business plan to the AAN Board this Saturday, September 14.
- i. There was some discussion about the way that the special LBD project skews the total research numbers so that it appears our progress ebbs and flows over time. The suggestion was made to insert a sub-total for the LBD project under the research line to show our steady growth.
 - ii. Mr. Engel will also look at the revenue raised per FTE ratios to see if those can be adjusted to show them with and without the LBD numbers.
 - iii. Ms. Ransom will add a discussion item about the LBD pilot program, and how this will be used as a template in the future.
 - iv. Ms. Shulman inquired about the industry standard on the cost to raise a dollar, and how that compares to our costs.
 - v. Mr. Essey is expecting questions from the AAN Board on our 10% fee. Although that amount is within the industry standard of 15%, we should be prepared to respond.
- d. **Other New Business:**
- i. Mr. Engel has informed Ms. Rydell that he intends to retire as CFO in May or June of 2020. This allows sufficient time for a smooth transition.
 - ii. Mr. Essey requested a list of tasks Mr. Engel performs, along with the number of hours required. This will help us determine if we need a part-time CFO going forward.
 - iii. Committee members congratulated Mr. Engel on his retirement.

Meeting Adjourned: 4:40 p.m. CT