

Agenda
Strategic Planning Meeting
McKnight Brain Research Foundation
October 14, 2014
8:00 AM-3:00 PM

- 1. Future of Foundation**
 - a. Time Limited**
 - b. Perpetuity**
- 2. Review current Strategic Plan**
(Approved December 6, 2006; Reaffirmed November 12, 2012)
- 3. Governance**
 - a. Leadership**
 - b. Succession**
 - 1. Trustees**
 - a. Founding**
 - b. Appointed**
 - 1. Term limits**
 - 2. Expand number**
(Requires amending Foundation documents)
- 4. Communication**
 - a. Corporate Trustee/Trustees**
 - b. Between trustees**
 - c. Constituency**
- 5. Administrative Structure/functions**
 - a. Staff**
 - b. Maintenance of MBRF Website & Web Master**
 - c. Public relations**
 - d. Press releases**
- 6. Future directions**
 - a. Spending policy**
 - b. Additional Institutes**
 - c. New Partners**
 - d. Public Initiatives**
 - e. Monitoring**
- 7. Executive Session**
- 8. Appendix**
 - a. MBRF, History and Chronology**
 - b. MBRF, Chronological History of Events**
 - c. Profiles, McKnight Brain Institutes**
 - d. Monte Carlo Simulation – 2.5% distribution rate**
 - e. Monte Carlo Simulation – 5.0% distribution rate**
 - f. Monte Carlo Simulation - 7.5% distribution rate**
 - g. Gift Administration to NIH/NIA**

Future of foundation

Comments from Dr. Gene Ryerson on the Future of the Foundation

1. Continue the present arrangement as outlined in the Strategic Plan of 2006 and 2012 with no changes in perpetuity.
 - a. Continue to fund the 4 original institutes: UF, UA, Miami, UAB
 - b. Fund inter-institute programs: imaging, epigenetics , and cognitive testing groups
 - c. Fund NIA research with more clinical applications
 - d. Pending IOM public health aspects of cognitive aging results, consider other projects with clinical significance.
 - e. No change in the number of trustees
2. Develop a three to five year plan for dissolve the Foundation.
 - a. Endow the inter-institute programs to guarantee future success- imaging, epigenetics and cognitive testing groups.
 - b. Additional funding to the four established programs
 - c. Fund a fifth MBRF institute- I am impressed with Dr. Scott Small at Columbia, but the other NIA funded project (Yaakov Stern) at Columbia was not completed.
 - d. Consider additional NIH/NIA group projects similar to the present one that will be funded or fund additional RFAs with the highest scores from the present pool.
 - e. Broaden the scope of projects (could be done through the presently funded institutes or the NIA) to include a wide range of medical illnesses with progressive cognitive deterioration, such as atrial fibrillation, heart failure, history of head trauma , sleep disordered breathing, chronic lung diseases with or without resting hypoxemia.
 - f. At the end of the chosen time period, transfer remaining funds to the NIA for future administration.

Review current strategic plan



McKnight Brain Research Foundation

Strategic Plan



McKnight Brain Research Foundation

McKnight Brain Research Foundation Vision Statement:

To:

“Improve the quality of life through the understanding and alleviation of age related memory loss.”

*Approved October 18, 2006
Reaffirmed November 1, 2012*



McKnight Brain Research Foundation

McKnight Brain Research Foundation Value Statement:

- **Honesty/Integrity**
 - *The McKnight Brain Research Foundation (MBRF) conducts its affairs with the highest degree of honesty, integrity, and accountability and expects the same of others*
- **Commitment**
 - *The MBRF is committed to its vision to understand and alleviate age-related memory loss, and expects the same of its grant recipients and research partners*
- **Discovery**
 - *The MBRF values scientific curiosity and discovery leading to clinical intervention in age related memory loss*

*Approved October 18, 2006
Reaffirmed November 1, 2012*



McKnight Brain Research Foundation

McKnight Brain Research Foundation Mission Statement

- **Lead** in generating interest and support of scientific research to understand and alleviate age-related memory loss
- **Inspire** commitment and shared vision in the understanding and alleviation of age-related memory loss
- **Nurture** scientists dedicated to the exploration of innovative research initiatives in age-related memory loss
- **Promote** collaboration and communication among research scientists, institutions, and organizations engaged in research in age-related memory loss
- **Partner** with research scientists, institutions, and organizations to promote research to understand and alleviate age-related memory loss
- **Recognize and Reward** significant achievement in discoveries leading to clinical intervention to understand and alleviate age-related memory loss

Approved December 11, 2006
Reaffirmed November 1, 2012



Mission, Goal, Strategy Planning

Mission Statement

- Lead in generating interest and support of scientific research to understand and alleviate age-related memory loss

Goal

- Increase the number of institutions, researchers, organizations and scientists whose focus is to understand and alleviate age-related memory loss
- Explore new avenues of potential research within the scientific community which could lead to the development of therapeutic and behavioral interventions and, ultimately, to improved outcomes for cognitive aging
- Raise the level of awareness both within the scientific community and among the public about the importance of research in cognitive aging and its tremendous value to society

Strategies

- Grant/Gift agreements
- FNIH/NIA/MBRF Summit
- Website, media, communications
- Seminars, symposia, colloquia
- Inter-Institutional Meeting
- Leadership Council
- Travel Award Program
- IOM Study
- Assess the status of the current scientific knowledge in the normal aging and changes in cognition associated with the aging process
- Identify research scientists whose research focus is compatible with the MBRF vision
- Citations in publications and presentations
- Investment policy
- Governance and Succession Planning
- On-going assessment of the Foundation and all Foundation sponsored initiatives to assure satisfactory progress towards meeting the goals of the Foundation



Mission, Goal, Strategy Planning

Mission Statement

- Lead in generating interest and support of scientific research to understand and alleviate age-related memory loss

Goal

- Identify cross-disciplinary research emphasizing practical approaches to the development of therapeutic and lifestyle interventions designed to facilitate cognitive trajectories in the aging population
- Assure the progress towards the vision and goals of the Foundation is achieved
- MBRF strives for success in the management of the foundation and its support of research initiatives in age related memory loss

Strategies

- Grant/Gift agreements
- FNIH/NIA/MBRF Summit
- Website, media, communications
- Seminars, symposia, colloquia
- Inter-Institutional Meeting
- Leadership Council
- Travel Award Program
- IOM Study
- Assess the status of the current scientific knowledge in the normal aging and changes in cognition associated with the aging process
- Identify research scientists whose research focus is compatible with the MBRF vision
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- Governance and Succession Planning
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Mission, Goal, Strategy Planning

Mission Statement

- Inspire commitment and shared vision in the understanding and alleviation of age related memory loss

Goal

- Educate and raise the level of awareness in the scientific community about the importance of research in cognitive aging and its tremendous value to society
- Encourage the increase of the number of institutions, scientists, researchers, organizations that share the vision
- Foster an environment that would enhance the interest and focus on the recruitment of highly talented individuals into the field
- Educate and raise the level of awareness among the public about the importance of research in cognitive aging, the impact on their lifestyle and families.

Strategies

- Grant/Gift agreements
- Increase the number of graduate and post-doctoral students in the field
- MBRF hosted Society for Neuroscience Poster Session
- Website, media, communications
- Seminars, symposia, colloquia, etc.
- Targeted awards, for both new investigators and students
- National spokesperson



Mission, Goal, Strategy Planning

Mission Statement

- Promote collaboration and communication among research scientists, institutions, and organizations engaged in research in age-related memory loss

Goal

- Increase collective understanding and knowledge of the process of learning and age related memory loss
- Sharing of the information and research in age-related memory loss
- Accelerate discoveries leading to the understanding and alleviation of age related memory loss

Strategies

- Requirements in Grant/Gift agreements to collaborate
- FNIH/NIA/MBRF Summit
- Website, media, communications
- Scientific Publications
- Seminars, symposia, colloquia
- Inter-Institutional Meeting
- Leadership Council
- Focus groups
- Travel Award Program
- IOM Study
- MBRF hosted Society for Neuroscience Poster Session
- Site visits
- Recognition and rewards
- Establishing Brain Institutes committed to the vision of MBRF



Mission, Goal, Strategy Planning

Mission Statement

- Nurture scientists dedicated to exploration and innovative research initiatives in age related memory loss

Goal

- Encourage, maintain, support scientists whose focus is to understand and alleviate age-related memory loss
- Foster innovation
- Expand the number of research scientists whose focus is to understand and alleviate age-related memory loss

Strategies

- Ensuring that the institution fosters an environment conducive to the success of the research scientist
- Seed grants directed toward innovation
- New investigator awards
- Travel Award Program
- Track all post-doctoral students in programs or institutions that have received MBRF funding
- Increase the number of graduate and post-doctoral students in the field
- MBRF hosted Society for Neuroscience Poster Session



Mission, Goal, Strategy Planning

Mission Statement

- Partner with research scientists, institutions, and organizations to promote research to understand and alleviate age-related memory loss

Goal

- Leverage the financial and intellectual resources of the Foundation
- Raise the level of awareness of the understanding and alleviation of age-related memory loss
- Promote cooperation and collaboration within the scientific community
- Through partnerships, explore new avenues of potential research within the scientific community which could lead to the development of therapeutic, behavioral and life style interventions to improve outcomes for the aging

Strategies

- FNIH/NIA/MBRF Summit
- Seminars, symposia, colloquia
- Establish McKnight Brain Institutes
- Grant/Gift agreements
- Research Partnership with NIA and FNIH
- Partner with other national organizations
- Match funding with MBRF



Mission, Goal, Strategy Planning

Mission Statement

- Recognize and Reward significant achievement in discoveries leading to clinical intervention to understand and alleviate age-related memory loss

Goal

- Provide Incentive and encouragement
- Increase awareness
- Focus the outcome on clinical applications
- Expand the number of research scientists whose focus is to understand and alleviate age-related memory loss
- Reward and retain existing talent within the field
- Recognition

Strategies

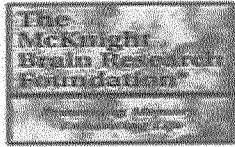
- Research prize awards
- Young investigator awards
- Seed grants
- New investigator awards
- Develop relationships with other institutions and organizations to increase awareness
- Individual communication
- Public Communication



Criteria for consideration of potential partnership opportunities

- Receptivity
- Matching funds
- Reputation
- Impact
- Opportunity for synergy
- Monitoring requirements
- Potential for success
- Physical and human resources (facilities and manpower)
- Honesty, integrity and commitment to transparency and accountability

Approved November 1, 2012



McKnight Brain Research Foundation Mission Statement

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Approved December 11, 2006
Reaffirmed November 1, 2012

Governance

MCKNIGHT BRAIN RESEARCH FOUNDATION

McKNIGHT BRAIN RESEARCH FOUNDATION (the "Foundation") was created on May 26, 1999. The terms thereof permit the Foundation to be amended by the Trustees provided such amendments do not change the specific purpose of the Foundation and are consistent with Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The undersigned, being all of the current Trustees, hereby adopt the following amendments to the Foundation governing documents and the individual Trustees appoint a new individual Trustee.

ARTICLE I

Section E of Article II is hereby replaced in its entirety with the following new Section E:

E. Trust Continuation. The Trust hereby created shall terminate when the whole of the trust estate shall have been distributed. Nothing herein contained shall require the Trustees to terminate the Foundation at any particular time and the Trustees are expressly authorized to operate and administer the Foundation indefinitely so long as they shall, in their absolute discretion, believe that it can continue effectively to accomplish the purposes for which the Foundation is established.

ARTICLE II

Section B of Article V is amended as follows:

The heading and first sentence shall be replaced in their entirety with the following:

B. Number of Trustees. There shall always be a minimum of three (3) and a maximum of five (5) individual Trustees and one (1) corporate Trustee.

In all other respects, the Trustees ratify and confirm the Trust Agreement as hereby amended, reserving the right to amend the same and this Amendment thereto.

**Excerpts from the minutes relative to the appointment
additional trustees of the MBRF**

Extracted from April 19-20, 2005, Minutes

3. Succession Planning

After the Trustees discussed the succession of Trustees of the MBRF and its importance in maintaining the continuity and the longevity of the Foundation, it was concluded that a fourth Trustee is needed at this time. After much discussion, it was agreed that the qualifications of the Trustees should be developed before a replacement or an additional Trustee is appointed. After discussion, the Trustees agreed upon the following 5 qualifications for any new Trustee:

1. The Board of Trustees must be composed of at least three (3) and not more than five (5) individual Trustees and one (1) Corporate Trustee.
2. A Trustee must have either a Medical Degree or a Ph.D. Degree in one of the Basic Sciences or an equivalent degree in science related fields.
3. It is desirable for a Trustee to have been an active practitioner, an active research scientist, or have experience in administrative medicine or as a medical educator.
4. An additional Trustee or a replacement Trustee must be elected by a unanimous vote of the current Trustees.
5. A Trustee must be committed to the Values, Vision, Mission and Code of Ethics of the McKnight Brain Research Foundation.

Dr. Lee Dockery distributed copies of Dr. John Clarkson's Curriculum Vitae to the Trustees. It was noted Dr. Clarkson is currently Dean and Senior Vice President for Medical Affairs at the University of Miami School of Medicine and will vacate this position January 1, 2006 to become the Executive Director of the American Board of Ophthalmology (ABOph). Dr. Clarkson is well known nationally in academic circles of Ophthalmology and as a capable medical educator and administrator within the Association of American Medical Colleges. Dr. Clarkson was very helpful to Mrs. McKnight during his tenure with the Bascom Palmer Eye Institute and the University of Miami, both of which have been recipients of Mr. and Mrs. McKnight's philanthropy. It was opined that Dr. Clarkson possessed all of the personal and professional qualifications to serve as Trustee of the MBRF. A motion was made to invite Dr. Clarkson to accept an invitation to become a Trustee as of January 1, 2006, and to invite him to attend the July and October meetings. The motion was seconded; the motion passed unanimously. Pursuant to the terms of the Trust Agreement, SunTrust does not have a vote with regards to the addition of a Trustee.

Action:

A. The Trustees approved the qualifications required of individuals to be considered for appointment as an individual Trustee of the MBRF with modifications. (Attachment 2).

B. The Trustees received Dr. Clarkson's Curriculum Vitae as information.

C. Dr. Lee Dockery will extend the invitation to Dr. Clarkson to become a Trustee as of January 1, 2006, and to attend the July and October 2005 meetings.

D. Mrs. Borchbeck will correspond with Dr. Clarkson advising him of his appointment, the meeting dates and providing him with copies of the Vision, Value and Mission statements, and Code of Ethics of the MBRF after they are officially approved at a conference call to be scheduled in the near future.

There being no further business, the meeting was adjourned at 5:15 p.m.

Extracted from April, 16, 17 & 18, 2008 minutes

New Trustee discussion (Wednesday & Friday)

The trustees engaged in a lengthy discussion about adding a fifth trustee. In discussing the addition of a new trustee, it was agreed that the original trustees will be called "founding trustees" and they will have a lifetime appointment. The founding trustees are Dr. J. Lee Dockery, Dr. Michael Dockery, Dr. Nina Ellenbogen Raim and Dr. John G. Clarkson. These individuals maintained personal and professional relationships with Mrs. McKnight and provide the foundation with a keen understanding of the mission of the MBRF as envisioned by Mrs. McKnight. It was also decided that any new trustee would be limited to a three year term renewable. Once the "advisory trustee" goes off the board they may not come back, however; the founding trustees reserve the right to extend the term. In considering the criteria of a new trustee, it was agreed that the qualifications for a new trustee that were approved in the minutes of the April 20, 2005 MBRF meeting would be used as a guideline. Those qualifications are:

1. The Board of Trustees must be composed of at least three (3) and not more than five (5) individual trustees and one (1) corporate trustee.
2. A trustee must have either a Medical Degree or a Ph.D. Degree in one of the Basic Sciences or an equivalent degree in science related fields.
3. It is desirable for a trustee to have been an active practitioner, an active research scientist, or have experience in administrative medicine or as a medical educator.
4. An additional trustee or replacement trustee must be elected by a unanimous vote of the current trustees.
5. A trustee must be committed to the Values, Vision, Mission and Code of Ethics of the McKnight Brain Research Foundation.

A desirable candidate would be one with a defensible, national reputation, preferably female. Other suggested characteristics of a possible candidate included someone who is committed to the work of the foundation, compatible with the founding trustees, and trust worthy. An expert in the field of age related memory loss would be an added beneficial credential. It was suggested the candidate be able to represent the importance of the MBRF in their circle of professional colleagues; and their role as an MBRF trustee would enhance the visibility and emphasis of the MBRF in the support of research in learning and memory in the aging. No candidate candidates from MBRF funded institutions should be considered.

At the July, 2008, meeting, the trustees will finalize the process for adding a fifth trustee. Each trustee needs to identify a name, have had a conversation with that individual and provide the remaining trustees with the candidates Curriculum Vitae and other information they wish to share. The trustees will consider the candidates and reduce the list to two. These finalist candidates should be interviewed during the February 2009 meeting. The first candidate would be interviewed on Tuesday afternoon and then invited to dinner. The second candidate would be interviewed on Wednesday morning and invited to lunch. This would allow the trustees to interact equally with the candidates in both a professional and social setting.

Action: Each trustee to identify a possible candidate for consideration at the July, 2008, meeting.

Melanie Cianciotto
First Vice President
SunTrust Bank

Doing Things Differently

A Step by Step Guide to Transitioning Private Family Foundation Leadership

*"There is no fixed point in time when philanthropic leadership passes from one generation to the next."
– Virginia Esposito, National Center for Family Philanthropy*

Giving back as a family is a wonderful tradition many people have in common. Some families formalize their giving by establishing a private family foundation. As younger generations are engaged in gift making decisions, differences can be more apparent. In anticipation of this, it is important for families to have a conversation about succession plans and how to pass on the tradition of giving, while keeping in mind the original purpose of the foundation. Succession planning is not a new idea, but it can be a stressful topic if for no other reason than no one likes to acknowledge their own mortality.

As shared by Virginia Esposito, President of the National Center for Family Philanthropy, "We're leading longer, healthier lives. Many family members with the most discretionary time to give are older. Many younger family members have responsibilities for education and for starting a career and a family. Further, with patterns of "family" changing – divorce, multiple marriages, and having children later in life – the age span of most generations can be dramatic."

The Future

No two generations are alike, and there is no single way to prepare for transitioning leadership from one generation to the next. The youngest of the generations may have grown up in the age of technology, preferring the use of online grant applications and virtual meetings to conduct business. Younger philanthropists may have little interest in providing a short term solution or funding the same projects year after year. They tend to focus on measurable outcomes and desire projects that impart immediate satisfaction while addressing systematic change. A recent report, "Next Gen Donors: Respecting Legacy, Revolutionizing Philanthropy," found that having information about an organization's proven effectiveness or measurable impact before deciding whether to support it was one of the top five most important components of the NextGen philanthropic strategy.¹ For this group, the prestige that can come with being a philanthropist is not necessarily important.

Next Generation Philanthropists are characterized by:

- Use of foundation websites for accepting applications and viewing meeting materials
- Hands on approach to giving using techniques like venture philanthropy
- Focus on specific measurable outcomes
- Personal involvement with organizations often including board service or other volunteer leadership positions
- Desire immediate satisfaction

The Traditional Approach

In general, the oldest of the generations are characterized as having a primarily relationship-based approach that is less technologically intensive. This generation prefers written communication and welcomes face-to-face meetings. These philanthropists are comfortable supporting the same project or organization from one year to the next with a strong altruistic motive and a desire to "give back" to the community. Recognition as a community leader and civic booster are often seen as an added bonus to senior philanthropists.



Traditional Philanthropists are characterized by:

- Prefer to receive paper grants and meeting packages
- More hands off approach to giving
- Personal involvement with the organizations is less important than making a meaningful charitable gift
- Focused more on altruism than measuring impact

The Importance of Donor Intent

As leadership passes from one generation to the next it is important to ensure that the donor's original intent is honored. Each succeeding generation is enriched by understanding the reason or reasons that led to the creation of the foundation, and the giving history of the foundation. It is also important that they understand the responsibility they have in preserving the family legacy so that they, too, can pass the reins on to the next generation. This is not to suggest that things must remain status quo. The "Next Gen Donors: Respecting Legacy, Revolutionizing Philanthropy" report found that when respondents were asked if they will continue to give in the same areas as the older members of the family philanthropy it was discovered that there is little generational difference in giving in the areas of education and basic needs. However, the report found that the younger respondents are less likely to give to arts and culture, religious, youth and family, health, community development and "combination" organizations such as the United Way or Jewish Federations.²

Families are encouraged to avoid waiting to have a conversation about succession planning. There will likely be a family member or two who does not want to have the conversation or feels that addressing the issue is more about replacing them than about the successful transfer of leadership from one generation to the next. In contrast, the younger generation may have their own reasons for being uncomfortable with the discussion. A 2005 paper from the National Center for Family Philanthropy identifies six obstacles that can keep young people from getting involved in family philanthropy: family conflicts, lack of education, generational differences, unclear expectations, insufficient sharing of information and shifting missions.³

The Way Forward: A Step by Step Guide

Succession planning is an ongoing process with no single way to complete the task. However, the four steps outlined below provide a roadmap to begin the process.

1. Start Early

Engaging the younger generation in family philanthropy early can help to avoid some of the uncomfortable feelings that both the older and younger generations feel about the succession planning process. The younger generation can be encouraged to engage in philanthropy in a variety of ways. Some of the easiest ways to involve this generation are to encourage them to volunteer at non-profit organizations, include them on site visits made by the foundation board, or assign them a small portion of the foundation's total giving amount to fund grants.

Philanthropy is not only learned at home; schools play a role as well. Starting as early as kindergarten, children are involved in philanthropic activities such as book drives, clothing drives, or collecting coins for a favorite charity. Many schools now have formal coursework, school-based programs and summer camps focused on philanthropy. These programs allow the younger generation the opportunity to become involved, find organizations or causes they are passionate about, build their confidence and create their own impact. Parents should encourage their children to participate in opportunities that are available to them, and should volunteer to help themselves. Ms. Esposito provides further insight into this notion of introducing children to philanthropy, "When inspiring your child to care about generosity, community and the role of philanthropy, emphasize some level of personal investment. This is not the time to teach them that philanthropy is about giving away someone else's money. Consider a matching gift for time and contributions rather than discretionary gifts. Value a young person's personal charitable interests even if they depart from the shared work the family does together."

The Future Stars of Philanthropy survey found that NextGen donors want to invest not just their money, but also their time, talents and skills to help shape the future growth and sustainability of the organizations they support.⁴ The same survey revealed that of respondents less than 30 years old, 33% said they want personal involvement with causes about which they care deeply, compared to 16% for the respondents over age 45.⁵ Once the younger generation is involved, a more formal approach to succession planning can begin.

2. Leverage your philanthropic “tool box”

Philanthropic advisors use a number of age and situation appropriate tools to jump start the engagement of the next generation in a private foundation’s philanthropic giving. In addition to junior decision making boards, there are advisor-led workshops, themed card decks, giving challenges, external board service and a host of related charitable giving opportunities. Families should consider all of their options and select the best fit for their leadership life cycle.

One of the most popular tools listed above is the creation of a secondary or “junior” decision making board. This type of board allows the younger generation the opportunity to become engaged in the foundation’s grant making process on a smaller scale. Allocating a small part of the required yearly distribution to this board allows them the opportunity to make decisions independent of the primary board, introduce new projects to the foundation and create their own philanthropic identity all while honoring the original donor’s intent. It is important for the junior board to be familiar with both the family history and giving history of the foundation as well as the decision making processes. It is imperative that all board members are aware of mandatory required distributions, qualifying expenses, prohibitions against self-dealing and conflicts of interest. Serving on a junior board allows the younger generation to begin to learn about the strict regulatory environment surrounding private foundations. The creation of a junior board lays the foundation for a smooth leadership transition. It also prepares the young, new board members to be knowledgeable, experienced and committed.

3. Make it a part of the strategic plan

Some foundations choose to make succession planning part of the overall strategic plan. While conducting strategic planning, these foundation boards will carve out time to devote to succession planning. Engaging a consultant or independent third party to facilitate this discussion helps to alleviate some of the stress that is often associated with the process. When family members come to the table with an open mind, willing to ask and answer questions and share their experiences and concerns, common ground can be found to move forward while honoring the past.

4. Embrace a multi-generational approach

The National Center for Family Philanthropy encourages a multi-generational approach to philanthropy that leverages the wisdom and experience of senior leaders with the energy and new ideas of younger family members. The ultimate goal is to benefit from multiple perspectives and different experience levels. Ms. Esposito suggests that, “...Not only can governance be enhanced but there can be a deeper appreciation for family legacy, the talents of family members, and the inspiration of working across generational, geographic and family branch lines.”

Sir Winston Churchill said “we make a living by what we get, we make a life by what we give.” Private family foundations play a vital role in philanthropy. In 2012, giving by foundations totaled \$52 billion. Independent foundations made up 68% or \$35.4 billion of this giving. It is estimated that independent foundations gave \$37.1 billion in 2013 and that this number will continue to grow.⁶ By embracing succession planning, family foundations ensure their continuing place in giving. While first steps may be a bit unsteady, beginning these conversations now pays immeasurable dividends in the future, since the successful transition of leadership is critical to sustaining foundations for generations to come.

Special thanks to Virginia Esposito for participating in this article

Virginia Esposito is the founder and president of the National Center for Family Philanthropy (NCFP). For 17 years, NCFP has helped thousands of families transform their values into effective giving by uniting a national network of giving families, extensively researching and reporting on family giving trends and topics, and promoting best practices in the family giving field. For more information about Virginia and the National Center for Family Philanthropy, please visit their website at www.ncfp.org.

Sources:

¹ “Next Gen Donors: Respecting Legacy Revolutionizing Philanthropy” Johnson Center for Philanthropy and 21/64, 2013

² “Next Gen Donors: Respecting Legacy Revolutionizing Philanthropy” Johnson Center for Philanthropy and 21/64, 2013

³ Connecting to Your Family’s Foundation: A Primer for the Next Generation by the National Center for Family Philanthropy, 2005 Association of Small Foundations

⁴ The Future Stars of Philanthropy, Charities Aid Foundation, 2012

⁵ The Future Stars of Philanthropy, Charities Aid Foundation, 2012

⁶ Preview of Key Facts on U.S. Foundations, Foundation Center, 2014 Edition

About SunTrust Foundations and Endowments Specialty Practice

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¹ As of December 31, 2013

For more information about family foundation governance, contact your relationship manager or call 866.223.1499. Please visit us at www.suntrust.com/foundationsandendowments or www.suntrust.com/nonprofitinsights

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Communication

Administrative Structure/Functions

MBRF Website

- 1. The domain names were registered April 23, 2001 with A+Net in California. (\$35.00 Each)**
- 2. Domain Names: www.tmbnf.org and www.tmbnf.com**
- 3. JLD paid the registration fees and pays the annual renewal fees which is reimbursed by the MBRF (\$9.00 for each renewal per year).**
- 4. Several firms were considered for web site development, but because of expense the concept was abandoned.**
- 5. The University of Florida agreed to develop the website, design and host the MBRF Website in 2001.**
- 6. The University of Florida still hosts the MBRF website and posts all copy to the website through the UF Web manager.**
- 7. JLD writes all, of the copy for the MBRF web site.**

9/26/2014

Future directions

Appendix

McKnight Brain Research Foundation

History and Chronology

McKnight Brain Institutes
History and Chronology
September, 2011 (revised, September 2014)

Confidential

**1. The Evelyn F. and William L. McKnight Brain Institute of the University of Florida
April 28, 2000**

The University of Florida Brain Institute opened on **October 23, 1998**. The building is comprised of six stories and 210,000 square feet of laboratory, teaching and office space. The cost of \$60 million was funded by a \$38 million grant from the Defense Department and Veteran Affairs with the balance funded by the College of Medicine, Shands Hospital at UF, private donors and matching funds from the State of Florida. The award of the construction grant by the Defense Department and Veteran Affairs was due largely to the leadership and hard work of the then Chair of the Department of Neuroscience, William G. Luttge, PhD who became the first Executive Director of the Brain Institute when it opened in **1998**.

The State of Florida, in the support of philanthropy for state universities, created a financial matching program which would match any gift dollar over \$2 million, dollar for dollar. Within the guidelines for state matching funds, a schedule for matching opportunities was established. With a \$15 million gift, an entire building could be named for the donor.

In **January, 2000**, after a site visit by the trustees of the MBRF to the University of Florida, the MBRF approved a gift of \$15 million to the University of Florida to name the University of Florida Brain Institute the Evelyn F. and William L. McKnight Brain Institute of the University of Florida. The gift agreement was signed **April 28, 2000**. The State of Florida agreed to a 100% match of the gift.

The gift was divided into two parts: \$13 million (\$26 million with the match) was designated to support a Research Grant Fund and \$2 million (\$4 million with the match) was designated to endow the Evelyn F. McKnight Chair in Age Related Memory Loss. The annual distribution from the investment income is on the **total** endowment of \$30 million plus any increase in the value of the principal. **The estimated annual transfer is \$945,000 (research grant fund) and \$145,000 to the endowed chair fund.**

After 33 years of service to the University of Florida, Dr. Luttge retired in **February, 2004** and Dennis A. Steindler, PhD was named Executive Director of the Evelyn F. and William L. McKnight Brain Institute of the University of Florida. Dr. Steindler's main research is stem cell research. After a search for two years, in **2003**, Thomas C. Foster, PhD an associate professor in the Department of Pharmacology at the University of Kentucky School of Medicine was recruited to fill The Evelyn F. McKnight Chair for Brain Research in Age Related Memory Loss. Dr. Foster has been a leader in advancing the research initiatives in age related memory loss at the McKnight Brain Institute at the University of Florida and was promoted to the rank of full professor in **2006**.

Originally, the research grant fund was to be used to award intramural seed money support for research scientists to pursue research in cognitive aging and associated memory loss that would then be able to apply for extramural support. The results were not successful because the pool of applicants was not large and few investigators were successful in securing extramural support.

As a result, in **November, 2005**, the spendable income from the Research Grant Fund account was escrowed for a period of six years (**ending November 2011**) to recruit faculty to increase the number of core faculty whose research interest was in cognitive aging and age related memory loss. Therefore, the intramural research grant awards were reduced to approximately \$300,000 annually. Only two additional faculty members have been recruited **since 2005** to expand the core number of faculty whose primary research interests are cognitive aging and the influence of declining age on memory.

McKnight Brain Institutes, History and Chronology

1. The Evelyn F. and William L. McKnight Brain Institute of the University of Florida
April 28, 2000--continued

The first is an assistant professor (Matthew R. Sarkisian, PhD) from Yale University School of Medicine in **October, 2008**, and the second, an associate professor (Jennifer L. Bizon, PhD) in neuroscience from Texas A & M University in **July, 2010**.

In **April, 2009**, Dr. Marco Pahor, Professor and Chair Department of Aging and Geriatric Research College of Medicine and Director of the Institute on Aging and the Pepper Center at the University of Florida approached trustee, Dr. Lee Dockery to explore the possibility of establishing a Cognitive Aging and Memory Clinical Translational Research Program (CAM-CTRP) within the Institute on Aging. Following the meeting with Dr. Pahor, Dr. Lee Dockery met with the acting dean of the College of Medicine, Dr. Michael Good, and the acting Vice President for Health affairs, Dr. Douglas J. Barrett to begin a dialogue intended to restructure the gift agreement to distribute a portion of the spendable income from the principal of the research Grant Fund to support the CAM-CTRP.

In **April, 2009**, Dr. Pahor met with the trustees and presented a proposal to establish a CAM-CTRP to be funded with half of the escrowed money for the recruitment of new faculty in the McKnight Brain Institute. If approved by the Trustees of the MBRF and the University of Florida Foundation, Dr. Pahor would act as the Program Coordinator and a Director and an Associate Director would be recruited along with support staff. The trustees of the MBRF approved the proposal and the Vice President for Research, the Vice President for Health Affairs (Barrett), the Dean of the College of Medicine (Good) and the Executive Director of the Brain Institute (Steindler) indicated their approval by letter dated **May 13, 2009**.

The gift agreement was modified in **October, 2009**, to establish the Cognitive Aging and Memory Clinical Translation Research Program (CAM-CTRP). The level of escrowed funds was approximately \$3.2 million which was divided in half with \$1.6 million remaining with the McKnight Brain Institute and \$1.6 million transferred to the CAM-CTRP. The search is still in progress to recruit a Director and Associate Director of the CAM-CTRP.

In **July 2009**, David S. Guzick, MD, PhD, replaced Dr. Barrett who had resigned in 2008, as the Senior Vice President for Health Affairs and President of the UF & Shands Health System and Dr. Steindler, resigned as Executive Director of the McKnight Brain Institute. On **September 1, 2010** Tetsuo Ashizawa, MD, the Melvin Greer Professor and Chair of the Department of Neurology was named the new Executive Director of the McKnight Brain Institute of the University of Florida. Dr. Ashizawa is a very respected neurologist with an international reputation on gait disorders and Huntington's disease.

At the end of the fiscal year (**June 30, 2011**), the fund balances are as follows:

Evelyn F. McKnight Chair for Age Related Memory Loss

Balance in Endowment-----	\$4,602,508.06 (6/30/2011)
Spendable Income Balance-----	\$256,120.65

McKnight Brain Institutes, History and Chronology**1. The Evelyn F. and William L. McKnight Brain Institute of the University of Florida
April 28, 2000—continued****Evelyn F. McKnight Brain Research Grant Fund**

Balance in Endowment-----\$30,185,327.63 (6/30/2011)

Spendable Income Balance-----\$903,877.21 (6/30/2011)

MBRF Cognitive Aging and Memory Clinical Translation Research Program

Spendable Income Balance-----\$2,590,983.87 (6/30/2011)

On March 24, 2012, Dr. William G. Luttge professor emeritus and the retired founding Director of the McKnight Brain Institute died. In recognition of the important and lasting legacy of Dr. Luttge, the MBRF made a \$300,000 gift to the University of Florida to establish the "William G. Luttge Lectureship in Neuroscience". The funding requirements established by the UF for a lectureship is \$250,000. The additional \$50,000 of the gift was spendable income so as to start the lectureship immediately. The Gift Agreement for the Lectureship was signed May 1, 2012

On July 1, 2012, Ronald A. Cohen joined the University of Florida as professor and the first Director of the CAM-CTRP.

On July 1, 2013, Adam J. Woods was recruited as assistant professor and Assistant director of the CAM-CTRP.

At the end of the fiscal year (June 30, 2014), the fund balances are as follows:

Evelyn F. McKnight Chair for Age Related Memory Loss

Balance in Endowment-----\$5,001,352 (6/30/2014)

Spendable Income Balance-----\$154,901 (6/30/2014)

Evelyn F. McKnight Brain Research Grant Fund

Balance in Endowment-----\$32,801,125 (6/30/2014)

Spendable Income Balance-----\$531,851 (6/30/2014)

MBRF Cognitive Aging and Memory Clinical Translation Research Program

Spendable Income Balance-----\$2,550,093.87 (6/30/2014)

**2. Evelyn F. McKnight Center for Age Related Memory Loss
University of Miami Miller School of Medicine, December 24, 2002**

Mr. and Mrs. McKnight were residents of Miami Beach, Florida and Mrs. McKnight had worked as a nurse at the Jackson Memorial Hospital and the Veterans Administration Hospital, both of which are affiliated with the University of Miami School of Medicine. Before his death in 1978, Mr. McKnight was the fourth largest donor to the University of Miami and the Bascom Palmer Eye Institute. As a result, the building occupied by the Bascom Palmer Eye Institute was named for Mr. McKnight.

McKnight Brain Institutes, History and Chronology

2. Evelyn F. McKnight Center for Age Related Memory Loss--continued University of Miami Miller School of Medicine

In 1999, following Mrs. McKnight's death, Bascom Palmer received a gift from her estate which created an endowment to be used to upkeep and maintain the William L. McKnight Vision Research Building. In the same year, the Executive Committee of the Board of Trustees of the University of Miami approved the renaming of the McKnight Building as the "Evelyn F. and William L. McKnight Vision Research Building.

John G. Clarkson, MD, was chair of the Department of Ophthalmology and Director of the Bascom Palmer Eye Institute prior to his appointment as Senior Vice President and Dean of the University of Miami Miller School of Medicine in 1995. As a result, Dr. Clarkson was very familiar with the McKnight's legacy and their long standing financial support of the institution. Dr. Clarkson contacted the trustees of the MBRF early in 2002, and submitted a proposal for a gift of \$5 million over a five year period from the MBRF to be matched by the University of Miami to establish the Evelyn F. McKnight Center for Age Related Memory Loss. The gift agreement contemplated the recruitment of a Scientific Director and an Education Director. The Scientific Director would be responsible for the recruitment of several new research groups to bring new perspectives and techniques from the basic sciences, applying to the problem of age related memory loss. The Education Director would be under the supervision of the Scientific Director and focus on the development of clinical and post graduate research training fellowships. Trustees of the MBRF, Dr. Lee Dockery and Dr. Ellenbogen Raim completed their residency training at the University of Miami Jackson Memorial Hospital and were familiar with and supportive of Mr. and Mrs. McKnight's intent to establish an academically based research focus on cognitive aging and age related memory loss in Dade County, Florida.

After a site visit, the trustees approved the proposal from the University of Miami and the Gift Agreement was signed **December 24, 2002**, creating the Evelyn F. McKnight Center for Age Related Memory Loss ("Center") at the University of Miami Miller School of Medicine. In his report to the trustees in **October, 2005**, while still Dean, Dr. Clarkson outlined the status of the search process for the recruitment of a Scientific Director at which time there were no active candidates. Dr. David Sweatt the Evelyn F. McKnight Chair and Director of the Evelyn F. McKnight Brain Institute at the University of Alabama was a candidate and offered the Scientific Director position which he declined.

The chairs of the Departments of Psychiatry and Neurology were vacant at time of the report (**October 2005**). The leadership positions for the Center for Age related memory loss (Center) were combined with the search for the new chairs but with the autonomy to direct the Center utilizing the revenue stream generated by the endowment and not be commingled with the budgets of either of the respective departments. The first contribution to the match by the University of Miami was made in 2004. The MBRF completed its gift in July, 2008. As of December 31, 2010, the University of Miami had matched \$2,050,523.25. Failing to meet the match within the five year time period, the University of Miami has agreed until the match is completed, to transfer the amount of spendable income on an annual basis an amount equal to what would have been available from the investment if the full match had been met.

In **December**, Dr. Clarkson resigned his position as Senior Vice President and Dean of the University of Miami Miller School of Medicine.

McKnight Brain Institutes, History and Chronology**2. Evelyn F. McKnight Center for Age Related Memory Loss--continued
University of Miami Miller School of Medicine**

On July 1, 2006, Dr. Clarkson was appointed as a trustees of the MBRF.

In April, 2006, Pascal J. Goldschmidt, MD, a cardiologist and cardiovascular research scientist was appointed as Senior Vice President and Dean of the University of Miami Miller School of Medicine.

In December, 2006, Dr. Goldschmidt appointed, Andrew Maudsley, Ph.D, a magnetic resonance research scientist, as the temporary scientific director of the "Center" until the newly recruited Chair of Psychiatry, Dr. Julio Licinio would complete the responsibility of recruiting a permanent scientific Director of the Center.

The recruitment of a Scientific Director was not successful until Dr. Ralph Sacco from Columbia Medical Center was appointed Chair of the Department of Neurology at the University of Miami Miller School of Medicine in **February, 2007**. In addition to Dr. Sacco's duties as chair of the Department of Neurology, he assumed the role of Executive Director of the "Center" and recruited Dr. Clinton Wright, a neurologist also from Columbia Medical Center, as the Scientific Director in **July, 2008**. The role of an Education Director has been fulfilled by Dr. Richard S. Isaacson, associate professor in the Department of Neurology and director of the Neurology Residency Training Program. Dr. Isaacson has developed a curriculum on dementia for the medical students.

On December 10, 2010, , at the request of Dr. Sacco, the name was changed from the "Center" to the Evelyn F. McKnight Brain Institute at the University of Miami with the approval of the trustees of the MBRF and the University of Miami Senate.

In 2012, Dr. Richard Isaacson, the Director of Education at the Evelyn F. McKnight Brain Institute at the University of Miami left the University of Miami to assume a position at Weill Cornell College in New York City. The position is still vacant but a search is underway.

In December 2013, the matching funds from the UM defined in the 2002 gift Agreement was completed.

After the completion of the match the UM submitted a proposal to the MBRF for an additional gift of \$2,000,000 to be matched by \$2,000,000 by the UM to establish an endowed chair for the scientific director of the Evelyn F. McKnight Brain Institute at the University of Miami.

At the February 2014 meeting of the MBRF, the trustees approved a gift of \$2,000,000 to the UM to establish an endowed chair for learning and memory in aging for the scientific director of the Evelyn F. McKnight Brain Institute at the University of Miami. The gift would be payable \$1,000,000 in 2014, \$500,000 in 2015, and \$500,000 in 2016.

August 22, 2014, the gift agreement was signed and the University of Miami paid all of the \$200,000 in the matching funds. When the MBRF completes it portion of the gift, the total endowment for the Evelyn F. McKnight Brain Institute at the University of Miami will be **\$14,000,000**.

McKnight Brain Institutes, History and Chronology**3. Evelyn F. McKnight Brain Institute****University of Alabama, Birmingham--May 15, 2004**

In January, 2003, The MBRF received an invitation from Michael J. Friedlander, Ph.D, Chair of the Department of Neurobiology at the University of Alabama at Birmingham (UAB) to consider jointly funding a program to develop an institute or center for research in learning, memory, information storage and retrieval, and the influence of aging that would lead to clinical interventions and treatment.

Dr. Friedlander's credentials were impressive having served in many positions of national leadership as well as the recipient of research grant support from the NIH for the previous 25 years and the author of numerous scientific publications in referred journals, chapters in textbooks and abstracts.

Dr. Friedlander was also the founding chair of the department of neurobiology at the UAB and the founding president of the Association of American Medical Colleges Neuroscience Department Chairpersons.

Dr. Friedlander's invitation was also strongly supported by William B. Deal, MD who was appointed Dean and Senior Vice President for Medical Affairs at UAB in 1998. Dr. Deal and trustee, Dr. Lee Dockery served together in the Dean's office at the University of Florida College of Medicine for over ten years and had great confidence and trust in each other.

In May, 2003 the trustees of the MBRF visited the campus of the UAB for a review of the research programs on the effects of aging on learning, memory, information storage and retrieval. The UAB had received funding and ground had been broken for a 12 story, 314,775 square foot Interdisciplinary Biomedical Research Building to be named for Senator and Mrs. Richard C. Shelby. The UAB proposal was for a gift of \$5 million from the MBRF over a five year period of time to be **matched by the UAB** which would also establish the Evelyn F. McKnight Brain Institute on three floors of the new Interdisciplinary Biomedical Research Building (75,000 square feet) and an Endowed Professorship in Learning and Memory in Aging to be occupied by Dr. Friedlander.

The Gift Agreement was signed on **May 15, 2004**, with four stated primary goals in addition to the \$500,000 component of the gift to establish the Endowed Professorship in Learning and Memory in Aging.

1. The enhancement of the established research enterprise of the UAB Neurobiology faculty in the area of normal brain function, synaptic transmission, and neural signaling and the underlying biological mechanisms of learning and memory throughout the life cycle with the appointment of appropriate investigators in the Evelyn F. McKnight Brain Institute
2. The recruitment and establishment of laboratories for a minimum of six new additional faculty members into the Department of Neurobiology and the Evelyn F. McKnight Brain Institute whose primary research interest was in the biological basis of learning and memory with respect to the normal aging process
3. The development of a funding stream for supporting pilot research projects, collaborative studies, investigator travel and conferences related to the development of research into biological basis of learning and memory in aging for the Institute investigators

History and Chronology of McKnight Brain Institutes

3. Evelyn F. McKnight Brain Institute University of Alabama, Birmingham--May 14, 2004--continued

4. To facilitate the translation of basic laboratory research studies to human studies and the development of the knowledge, products and processes derived from those studies for application to human health.

Dr. Deal announced his retirement as Senior Vice president and Dean of the School of Medicine at UAB in **October, 2004**, and remained until his successor could be named.

July, 2005, Dr. Friedlander resigned his positions as Chair of the Department of Neurobiology, the Director Evelyn F. McKnight Brain Institute, and Evelyn F. McKnight endowed Professorship in Learning and Memory in Aging to become the chair of the Department of Neuroscience at Baylor University School of Medicine.

September, 2004, Robert R. Rich, MD was named Senior Vice President and Dean of the UAB School of Medicine. After his appointment a search process to recruit Dr. Friedlander's replacement was begun. Dr. Rich was executive associate dean for research and strategic initiatives at Emory University School of Medicine. Prior to joining Emory in **1998**, Dr. Rich spent 25 years at Baylor College of Medicine in Houston, where he rose through the ranks to become Vice President and Dean of Research.

In the meantime, construction on the Shelby Interdisciplinary Biomedical Research Building was proceeding with a target date for completion in the early **2006**. After Dr. Rich's appointment, the trustees learned that Dr. Rich interpreted the gift agreement between the UAB and the MBRF to allocate only one (1) floor of the new building, instead of three, for the Evelyn F. McKnight Brain Institute.

In **April, 2005**, President of UAB, Carol Z. Garrison, Ph.D. and Richard B. Marchase, PhD, Vice President for Research and Economic Development met with the trustees of the MBRF and reassured the trustees of the continued commitment of the UAB to meet its commitments and would hasten to fill Dr. Friedlander's position with a distinguished research scientist recognized for their research in cognitive aging and associated memory loss. However, the trustees notified President Garrison it was not prudent to continue to adhere to the current program design and spending schedule developed by Dr. Friedlander and requested that UAB reconfirm the space allocation of three floors (75,000 square feet) to be designated as the Evelyn F. McKnight Brain Institute in the Shelby Interdisciplinary Biomedical Research Building.

In **July 2005**, Dr. Rich met with the trustees and confirmed the space commitment and requested that the MBRF consider increasing its gift by \$1 million dollars to convert the endowed Professorship to an Endowed Chair in order to facilitate the recruitment of David Sweatt, Ph.D from Baylor University School of Medicine. The trustees agreed to increase the gift by \$1 million and the professorship was converted to an endowed chair. Dr. Sweatt's appointment was announced in **October, 2005**, and he assumed his position in **February, 2006**. Dr. Sweatt is an internationally recognized neuroscientist whose research interest is on the biological mechanisms underlying learning and memory. He was also recruited for the Director of the Center for Age Related Memory Loss at the University of Miami and Director of the McKnight Brain Institute at the University of Florida.

History and Chronology of McKnight Brain Institutes

3. Evelyn F. McKnight Brain Institute

University of Alabama, Birmingham--May 14, 2004--continued

The Shelby Interdisciplinary Biomedical Research Building opened in **March, 2006**. The Evelyn F. McKnight Brain Institute which occupies 75, 000 square feet on floors 9, 10, and 11, was dedicated on **April 24, 2006**.

In **October, 2008**, Dr. Rich and Dr. Sweatt met with the trustees of the MBRF and outlined a request for and endowment from the MBRF to be matched by the UAB to fund the research programs in cognitive aging within the Evelyn F. McKnight Brain Institute. The trustees invited a formal proposal to amend the current gift agreement which would expire in 2009, to further define the program structure and funding requirements by both the MBRF and the UAB.

In **February, 2009**, a formal proposal was submitted to the trustees by Dr. Rich to establish a \$10 million dollar endowment to support the Evelyn F. McKnight Brain Institute in perpetuity through the investment income according the UAB spending policy. The proposal would also include an additional \$2 million which would be outside the endowment and would be used to support the research infrastructure and recruitment of new faculty. The total gift of \$12 million would be payable over a five year period with the MBRF contributing half and the UAB contributing half (\$5 million for the endowment and \$1 million spendable for each)

August 3, 2009, the trustees approved the proposal and an amended gift agreement was signed.

All of the financial obligations from the first gift agreement dated, May 15, 2004, have been met with the MBRF paying \$6 million and the UAB exceeding their match commitment by \$6 million dollars for a total of \$12,357,436. The total of \$18 million was expended for equipping laboratories, constructing and installing an fMRI and recruitment of new faculty.

Late in **2009**, Dr. Rich announced his intent to take a sabbatical and to return as advisor to President Garrison and on **September 20, 2010**, Ray L. Watts, MD assumed his duties as Vice President and Dean of the UAB School of Medicine after a nation wide search. Dr. Watts was chair of the Department of Neurology at UAB before his appointment as Senior Vice President and Dean. The trustees met with Dr. Watts at their last site visit to UAB in **February, 2011**. Dr. Watts outlined the programmatic priorities for the UAB health center for the 21st Century and stated "cognitive aging" would be one of the major research focuses for the future. Dr. Sweatt, as the chair of the search committee for the new Chair of Neurology, Director of the Evelyn F. McKnight Brain Institute, and Evelyn F. McKnight Chair of Learning and Memory in Aging, will play a major role in advancing the research in cognitive aging and age related memory loss with a clinical translational emphasis.

4. Evelyn F. McKnight Brain Institute

University of Arizona—October 17, 2006

In **February, 2005**, John Morrison, Ph.D. from the Mt. Sinai School of Medicine gave the keynote address at the site visit by the trustees to the Evelyn F. and William L. McKnight Brain Institute of the University of Florida. In his talk, Dr. Morrison referenced Dr. Carol Barnes at the University of Arizona as an outstanding research scientist who he depended upon to assist him in his work on non-human

History and Chronology of McKnight Brain Institutes

4. Evelyn F. McKnight Brain Institute University of Arizona—October 17, 2006--continued

primates and indicated she had the largest aging non-human primate colony in the United States and was doing excellent work on cognitive aging.

Dr. Barnes is a very respected research scientist who was at that time the current President of the Society for Neuroscience. Dr. Barnes was professor of Psychology and Neurology at the University of Arizona (UA) and was also a Regents Professor, a title awarded the UA, reserved only for outstanding faculty by the Board of Regents of the UA. Dr. Barnes was also married to Bruce McNaughton, PhD, who was the Director of the Arizona Research Laboratories (ARL), Division of Neural Systems, Memory and Aging, at UA. Dr. McNaughton was responsible for all of the bioengineering and electrophysiology services for the research laboratories occupied and utilized by Dr. Barnes and the cognitive aging research scientists at the UA.

In July, 2005, trustee, Dr. Lee Dockery, called Dr. Barnes by telephone to inform her about the MBRF and inquired if she had any interest in exploring ways in which she might be interesting in developing a research program in cognitive aging and associated age related memory loss which would be jointly funded by the MBRF and the UA. On July 21, 2005, Dr. Barnes wrote the trustees indicating her strong interest in pursuing discussions leading to research initiatives that would build upon the strengths of the research of the faculty at the UA have on the influence of aging on learning and memory.

The trustees accepted the invitation by Dr. Barnes and her colleagues at the UA and visited the UA campus on October 18, 2005. The trustees toured the facilities, heard scientific presentations from the respective faculty involved in cognitive aging research as well as meeting with the Vice President for Research and the Director of the ARL.

The trustees were impressed with the potential for success in advancing the research initiatives in the influence of aging on learning and memory and invited Dr. Barnes to submit a formal proposal. A formal proposal from Dr. Barnes was submitted December 31, 2005, which culminated in a signed gift agreement on October 17, 2006.

The gift agreement incorporated the following stipulations:

The gift from the MBRF was in the amount of \$5 million as an endowment. The first \$1million was to be used to fund an Evelyn F. McKnight Endowed Chair for Learning and Memory in Aging in perpetuity to be initially occupied by Dr. Barnes. The UA would identify a minimum of 10,000 square feet of research space to be designated as the Evelyn F. McKnight Brain Institute at the UA. The remaining \$4 million of the endowment would be used to fund cognitive aging research by the research scientists in the Evelyn F. McKnight Brain Institute. The endowment would be funded over a five year period at \$1 million annually. The gift was contingent upon a 100% match by the UA. Dr. Barnes was designated to be the first Director of the Institute for which an advisory board was established administratively.

McKnight Brain Institutes, History and Chronology

**4. Evelyn F. McKnight Brain Institute
University of Arizona--October 17, 2006--continued.**

On December 11, 2006 the dedication ceremonies for the Evelyn F. McKnight Brain Institute at the UA were held. The University of Arizona hosted the first annual Inter-Institutional meeting between the four McKnight Brain Institutes, **April 16-18, 2008.**

In **May, 2008**, Dr. Barnes notified the trustees that Dr. McNaughton was resigning his position at the Evelyn F. McKnight Brain Institute to accept a position by the Alberta Heritage Foundation for Medical Research and was the recipient of the Polaris Award funded by \$10 million distributed at \$1 million a year for ten years. Dr. Barnes in her letter of notification also requested the MBRF provide a \$300,000 supplement to the original gift to be used to recruit a replacement for Dr. McNaughton. The trustees approved the request from Dr. Barnes and an amendment to the UA Gift Agreement was signed on **July 22, 2008**, and the additional gift of \$300,000 was paid **October 29, 2008.**

Dr. Barnes has continued to be a productive and visible research scientist both nationally and internationally. She continues to be a leader among the Directors of the four McKnight Institutes and has acted as the chair of the leadership council composed of representatives from each of the four McKnight Brain Institutes since its inception in **2008.**

Additionally, in **May, 2008**, Dr. Barnes was instrumental in acquiring space and established the first Evelyn F. McKnight Memory and Cognitive Assessment Clinic on the ground floor of the Psychology building at the UA. She has also served on the advisory committee for the planning and a speaker on the program of the two National Cognitive Aging Summits hosted by the MBRF and the NIA through the Foundation for the National Institutes of Health. Dr. Barnes, however, has not been successful in recruiting a replacement for Dr. McNaughton and a recently recruited MD/PhD faculty member in neurology changed her mind after buying a house in Tucson in preparation for her relocation.

The total endowment was completed in October, 2010, by both the University of Arizona and the MBRF.

Because the University of Arizona will not permit state funds to be used for matching funds for the benefit of a designated faculty member the 2006 gift to the University of Arizona to establish the Evelyn F. McKnight Brain Institute was not an endowment. The matching funds from the University of Arizona were from non-state sources and were expendable funds used to support the research activities of the Institute and collaborative research in cognitive aging and age related memory loss. Hence, the corpus of the gift was projected to be depleted by **2017.**

In April, 2012, Dr. Barnes met with the trustees and outlined her vision for the EMBI at the University of Arizona for the following five years.

In July 2012, Dr. Barnes submitted a business plan to the trustees of the MBRF proposing an additional gift from the MBRF. The trustees requested additional information and identification of support from the State of Arizona or other sources.

In October 22, 2012, the additional information was submitted to the trustees for their consideration at the February 2013, meeting of the trustees.

McKnight Brain Institutes, History and Chronology

**4. Evelyn F. McKnight Brain Institute
University of Arizona--October 17, 2006--continued.**

In January 2013, Dr Barnes accompanied by Dr. Leslie Tolbert, Vice President for research at the UA and Mr. James Moore the president and CEO of the University of Arizona Foundation met with trustees, Dr. Lee Dockery and Dr. Gene Ryerson in Gainesville, FL to confirm the support and commitment of the University of Arizona to the support of Dr. Barnes' research and the importance of maintaining the support for the EMBI.

In July, 2013, a formal proposal from the University of Arizona and the University of Arizona Foundation for a gift of \$5 million from the MBRF to be matched by the UA and the UA Foundation to establish a permanent endowment in the amount of \$10 million to support the EMBI and Dr. Barnes Research in Cognitive Aging and memory loss associated with the aging process.

In October, 2013, the trustees made a sit visit to the EMBI and the University of Arizona to review the potential success of the EMBI and Dr. Barnes research program and the confirm the commitment of the University of Arizona and the University of Arizona Foundation to the collaborative support of a permanent endowment.

Following a meeting of the trustees at the conclusion of the site visit, a \$10 million permanent endowment at the University of Arizona for the benefit of the Evelyn F. McKnight Brain Institute in support of research in cognitive aging and age related memory loss was established.

The endowment will be established with a \$5 gift from the MBRF to be matched dollar for dollar by the University of Arizona and or the University of Arizona Foundation. The gift will be payable at \$1 million annually by each party beginning in 2015. Because of the depletion of the fund balance of the 2006 gift by 2017, the trustees also approved a spendable gift in the amount of \$200,000 annually for three years beginning in 2014; also, to be matched by the UA and or the UA Foundation. The spendable gift was made to supplement the budget requirements of the EMBI during the transition time when the investment income from the endowment would be sufficient.

The Gift Agreement was signed **May 1, 2014**.

McKnight Brain Research Foundation

Chronological History of Events

McKnight Brain Research Foundation
Chronological History of Events

Confidential

1. **May 26, 2009**--Founded by Mrs. William L. McKnight (Evelyn F.) widow of William L. McKnight, was established in Miami, Florida for the purpose of supporting medical research of the brain principally intended for clinical application to accomplish the alleviation of memory loss of the aging.
2. **Market Value of Portfolio December 31, 2009**--\$69,126,583
3. **Market Value of Portfolio, August 31, 2011**--\$40,868,310.87
4. **Total Gifts, January, 2009-July 18, 2011**--\$37,000,000
Note: Of the \$37 gifted thus far, \$34 million have been matched dollar for dollar.
5. **Founding Trustees:**
 - A. J. Lee Dockery, MD
 - B. Michael L. Dockery, MD
 - C. Nina Ellenbogen Raim, MD, JD
 - D. SunTrust Bank, Corporate Trustee
 - E. Henry H. Raattama, Jr., Esquire, Legal Council
6. **April 28, 2000**--Gift agreement between the University of Florida Foundation and the McKnight Brain Research Foundation (MBRF) for a Gift of \$15,000,000 from the MBRF to be matched by the State of Florida. The Gift established the following:
 - A. Evelyn F. and William L. McKnight Brain Institute of the University of Florida
 - B. Established a Research Grant Fund (\$26,000,000 with match).
 - C. Established Evelyn F. McKnight Chair in Age Related Memory Loss (\$4 million with the match)
 - D. Investment income from each of the above funds to fund research in cognitive aging and associated age related memory loss
7. **December 24, 2002**--Gift Agreement between the University of Miami Miller School of Medicine and the MBRF for a Gift from the MBRF for \$5,000,000 to be matched by the University of Miami, payable \$1 million annually over a five year period. The Gift established the following:
 - A. The Evelyn F. McKnight Center for Age Related Memory Loss
 - B. Investment income from the gift would fund a Research Program in cognitive aging and associated age related memory loss and an Educational Program which would focus on the development of clinical and post graduate research training fellowships.
8. **May 15, 2004**--Gift Agreement between the University of Alabama at Birmingham (UAB) and the MBRF for a Gift from the MBRF of \$5,000,000 to be matched by the UAB, payable \$1 million annually over a five year period. The Gift established the following:
 - A. The Evelyn F. McKnight Professorship in Learning and Memory in the Aging.
 - B. The Evelyn F. McKnight Brain Institute with 75,000 square feet of research space
 - C. To support research in cognitive aging and memory loss in the aging to facilitate the translation of basic laboratory research to human studies for the development of knowledge derived from those studies for application to human health.

MBRF, Chronological History of Events

9. **July 1, 2006** - John G. Clarkson, MD, former Senior Vice President and Dean of the University of Miami Miller School of Medicine accepted an appointment as a fourth individual trustee of the MBRF.
10. **October 17, 2006--** Gift Agreement between the University of Arizona (UA) and the MBRF. for a Gift of \$5,000,000 to be matched by the UA, payable a \$1 million annually over a five year period. The Gift established the following:
 - A. The Evelyn F. McKnight Brain Institute at the University of Arizona
 - B. The Evelyn F. McKnight Chair for Learning and Memory in Aging
 - C. Investment income from the gift would fund research programs in cognitive aging and associated memory loss for the research scientists at the UA.
11. **October 10-11, 2007--**The first national Cognitive Aging Summit was held in Washington, DC and was hosted by the MBRF and the National Institute on Aging (NIA) through the Foundation for the National Institutes of Health (FNIH).

The Purpose of the Summit was to bring together experts in a variety of research fields to discuss the most cutting edge advances in the understanding of age-related brain and behavioral changes. The goals and objectives of the Summit were to:

- A. Assess the status of the current scientific knowledge in normal aging and changes in cognition associated with the aging process.
 - B. Explore new avenues of potential research within the scientific community which could lead to the development of pharmacological and behavioral interventions, and, ultimately to improved outcomes in the aging
 - C. Raise the level of awareness both within the scientific community and among the public about the importance of this area of research and its tremendous value to society.
12. **April 17-18, 2008--**First inter-institutional meeting of the research scientists from each of the four institutions supported by the MBRF was hosted by the Evelyn F. McKnight Brain Institute at the University of Arizona.

The Purpose of the inter-institutional meetings is to bring together the directors of the McKnight Brain Institutes and their respective research teams to discuss the research in progress and the areas of possible collaboration between and among the scientists at each of the four institutions on problems of learning and memory in the aging. The emphasis of the scientific programs is on cognitive health, prevention and treatment of cognitive decline and loss. The inter-institutional meetings are held annually and hosted by one of the McKnight Brain Institutes on a rotational basis. The cost of the meetings is paid by the MBRF after review and approval of the budget by the host institution.

13. **May 1, 2008--**The University of Arizona's Evelyn F. McKnight Memory and Cognitive Assessment Clinic was established for research scientists to test and document cognitive abilities including memory function, reasoning process, complex task function, judgment, language comprehension, motor skills and overall medical histories.

14. May 6, 2008--Research Partnership in Cognitive Aging (RPCA) was established.

The Research Partnership in Cognitive Aging (RPCA) is a grant -making program to be conducted by the NIA in collaboration with the MBRF through a public-private partnership coordinated by the Foundation for the National Institutes of Health. The RCPA was formed as an outcome of the first Cognitive Aging Summit held in Washington, DC, in October, 2007, which was hosted by the NIA and the MBRF through the FNIH. The Summit spanned two days of scientific presentations, attended by 250 participants and concluded with a half day executive session. The purpose of the executive session was to develop recommendations to further discuss scientific opportunities and needs leading to recommendations for future research directions. Two promising areas of research which could be developed with the most expediency were selected:

- A. Preliminary research on promising interventions, particularly ones that incorporate a multifaceted or a combinatorial approach.
- B. The development of a gold standard for behavioral and neural profiles of healthy aging.

Both of these research directions necessitated multidisciplinary approaches in order to be successful. The purpose of the FNIH is to support the NIH in its mission by collaborating among universities, industry, and other non-profit organizations. Collaboration with the NIA through the FNIH permitted the MBRF to build on the outcomes of the October, 2007, Cognitive Aging Summit by committing financial resources to the RPCA in support of peer reviewed research grants in the two areas identified as an outcome of the Summit. The MBRF agreed to contribute \$5 million in grant funding payable in equal annual amounts for a period of five years and the NIA agreed to contribute at least \$5 million in grant funding in the research partnership over the five year period. The NIA and the MBRF each agreed to support a Cognitive Aging Summit II through the FNIH in 2010. The first cycle for proposals was funded beginning in July, 2009, with 17 grant recipients with a total of \$28 million in research support committed over the five year period concluding in 2013. (MBRF-\$5 million; NIA-\$23 million).

15. April 18, 2008--Leadership Council officially formed.

The leadership council is composed of the directors of each of McKnight Brain Institutes, the endowed chairs and designated representatives from each institution. Currently there are seven members. Dr. Carol Barnes, Director of the Evelyn F. McKnight Brain Institute and the Evelyn F. McKnight Chair of Learning and Memory in Aging at the University of Arizona, has served a chair since the Leadership Council was established. In each Gift Agreement with the four McKnight supported institutions, is the requirement for collaboration between the research scientists in each institution and with other research scientists nationally and internationally who are pursuing research in cognitive aging and its influence of aging on learning and memory. The members of the leadership council plan the programs for the annual inter-institutional meetings to highlight collaborative research projects between each institution in consultation with the trustees of the MBRF. The members of the leadership council also represent the MBRF in their service and participation on the advisory committees for the development of the program content for the two National Cognitive Aging Summits.

MBRF, Chronological History of Events**15. Leadership Council, continued...**

The members of the leadership council have formed a Cognitive Test Battery Working Group to develop a common platform for cognitive testing so that the evaluation and cognitive assessment parameters will be common among and between research scientists for both human and animals. The members of the leadership council meet with the trustees as a group at each annual inter-institutional meeting which is hosted by one of the McKnight Brain Institutes on a rotational basis.

16. **October 17, 2008**--First MBRF hosted Scientific Poster/reception in conjunction with the Annual Meeting of the Society for Neuroscience, Washington, DC.
17. **February 17, 2009**--McKnight Brain Research Foundation Travel Award established as a two year pilot program with an approved budget of \$100,000 to facilitate research scientists from each of the MBRF supported institutions to travel between institutions for the purpose of collaboration on research projects.
18. **April 1, 2009**--Judith A. Salerno, MD, MS, chief executive officer of the Institute of Medicine and former deputy director of the NIA accepted an appointment as a fifth individual trustee of the MBRF.
19. **April 21-23, 2009**--Second inter-institutional meeting hosted by the Evelyn F. McKnight Brain Institute at the University of Alabama at Birmingham.
20. **August 2, 2009**--First Leadership Council retreat, Orlando, FL.
21. **August 3, 2009**--Amended and restated Gift Agreement between the University of Alabama and the MBRF which established a permanent endowment of \$10 million to be funded by a \$5 million grant from the MBRF to be matched 100% by the UAB, payable at \$1 million annually over a five year period. In addition, the MBRF and the UAB would each contribute \$1 million for a total of \$2 million to a spendable account over a two year period of time which would be used for recruitment of research faculty.
22. **October 18, 2009**--Second MBRF hosted Scientific Poster/Reception in conjunction with the Annual Meeting of the Society for Neuroscience, Chicago, IL.
23. **April 28-30, 2010**--Third inter-institutional meeting hosted by the Evelyn F. and William L. McKnight Brain Institute at the University of Florida.
24. **October 3, 2010**--The MBRF logo was modified to add a tag line at the bottom of the current logo. The line which was added reads: *"Preserving Memory, Enhancing Life."*
25. **October 3-5, 2010**--Cognitive Aging Summit II hosted by the MBRF and the National Institute on Aging (NIA) through the Foundation for the National Institutes of Health.
26. **November 14, 2010**--Third MBRF hosted Scientific Poster/Reception in conjunction with the Annual Meeting of the Society for Neuroscience, San Diego, CA.

27. **May 1-3, 2011**--Fourth inter-institutional meeting hosted by the Evelyn F. McKnight Brain Institute at the University of Miami Miller School of Medicine.
28. **July 22, 2011**--Resignation accepted from John G. Clarkson, MD as trustee of the MBRF.
29. **August 1-2, 2011**--First meeting of the Cognitive Test Battery Committee approved by the trustees of the MBRF to be funded from the Travel Award Program to develop standardized cognitive testing protocols for human and animal research.
30. **November 13, 2011**—Fourth MBRF hosted Scientific Poster/Reception in conjunction with the Annual Meeting of the Society for Neuroscience, Washington, DC
31. **February 28, 2012**—The trustees approve an expenditure of up to \$100,000 dollars to develop the feasibility of the National Cognitive Aging Study to be performed by the Institute of Medicine.
32. **April 11-13, 2012**--Fifth inter-institutional meeting hosted by the Evelyn F. McKnight Brain Institute at the University of Arizona.
33. **May 1, 2012**—Gene G. Ryerson, MD, Pulmonary Disease Specialist and renown Medical Educator, Professor Emeritus, University of Florida College of Medicine and Florida State University College of Medicine appointed fifth individual trustees filling the expired term of Judith A. Salerno, MD, MS.
34. **August 8, 2012**—Robert M. Wah, MD, a reproductive a reproductive endocrinologist and obstetrician and gynecologist was elected trustee.
35. **September 12, 2012**—Publication of Special issue of the *Frontiers in Neurosciences Journal* which featured seven articles related to the general topic of, "Challenges and opportunities in characterizing cognitive aging across species". These sentinel articles are the products of the McKnight inter-institutional cognitive aging test Battery working group.
36. **October 14, 2012**—Fifth MBRF hosted Scientific Poster/Reception in conjunction with the Annual Meeting of the Society for Neuroscience, Washington, DC.
37. **November 27, 2012**—The Institute of Medicine Planning Group held its first meeting to consider the feasibility of a National Cognitive Aging Study, if recommended would be funded by the MBRF and other sponsors.
38. **February 19, 2013**—The trustees approved an expenditure of \$700,000 as the major partner to the Institute of Medicine Cognitive Aging Study with a proposed budget of approximately \$1.4 million. Additional sponsors will be identified to share the balance of the costs.
39. **April 24-26-2013**—Sixth inter-institutional meeting hosted by the Evelyn F. McKnight Brain Institute at the University of Alabama.

40. **July 31, 2013**—Inter-Institutional Bioinformatics Core approved by the Trustees for funding of \$300,000 annually for a period of two years to begin September 1, 2013.
41. **October 22-24, 2013**—Site visit to the Evelyn F. McKnight Brain Institute at the University of Arizona.
42. **October 23, 2013**—Research Partnership in Cognitive Aging renewal agreement signed to provide research funding on cognitive aging and age related memory loss through the Foundation for the National Institutes of Health in the amount of \$1 million annually to be matched by the National Institute on Aging.
43. **November 10, 2013**—Sixth MBRF hosted Scientific Poster/Reception in conjunction with the Annual Meeting of the Society for Neuroscience, San Diego, CA.
44. **February 4, 2014**—first meeting of the members of the IOM Cognitive Aging Study committee to develop a report on the “Public Health Dimensions of Cognitive Aging. Co-sponsors with the MBRF are, the NIA, AARP, CDC, National Institute of Neurodegenerative Diseases and Stroke (NINDS), and the Retirement Research Foundation.
45. **April 23-25, 2014**—Seventh inter-institutional meeting hosted by the William L. and Evelyn F. McKnight Brain Institute at the University of Florida.
46. **May 1, 2014**—Gift Agreement signed with the University of Arizona (UA) to create a \$10 million permanent Endowment for the Evelyn F. McKnight Brain Institute at the UA to support research on cognitive aging and age related memory loss. The endowment is to be funded by \$5 million from the MBRF to be matched dollar for dollar by the UA, beginning in 2015, payable \$1 million annually. In addition, both the UA and the MBRF will contribute an additional \$200,000 annually for three years beginning in 2014 as spendable income. The principal of the endowment will remain in perpetuity with only the investment income available for distribution.
47. **August 22, 2014**—Renewed and restated Gift Agreement signed with the University of Miami (UM) to create the Evelyn F. McKnight Chair in Learning and Memory in Aging in conjunction with Evelyn F. McKnight Brain Institute at the UM. The chair is funded at \$2 million by the MBRF and to be matched dollar for dollar by the UM. The payments by the MBRF will be made with \$1 million in 2014 and \$500,000 each year 2015 and 2016. The UM fulfilled its match commitment upon signing the agreement.
48. **August 13, 2014**—Approved a proposal to establish an Inter-Institutional Neuroimaging Core and a Brain Aging Registry within the four McKnight Brain Institutes. The funding is in the amount of \$931,760 to be spread over a three year period beginning January 1, 2015 and concluding December 31, 2017.

McKnight Brain Research Foundation

Profiles

**Profiles, McKnight Brain Institutes
September, 2011**

- 1. The Evelyn F. and William L. McKnight Brain Institute of the University of Florida**
 - 1.1. Established April 28, 2000 with an endowment of \$30 million (\$26 million for research grant fund and \$4 million to endow the Evelyn F. McKnight Chair for Learning and Memory in Aging).
 - 1.2. Building contains 210,000 sq. feet of office and laboratory space.
 - 1.3. Tetsuo Ashizawa, MD is the Director of the Brain Institute.
 - 1.4. Thomas Foster, PhD occupies the Evelyn F. McKnight Chair for Learning and Memory in Aging.
 - 1.5. Investment income from \$26 million of the endowment is available for recruitment of faculty and research grant support for cognitive aging and the influence of aging on learning and memory.
 - 1.6. Investment income on \$4 million of the endowment is available to the Evelyn F. McKnight Chair for Learning and Memory in Aging in support of the designated research program
 - 1.7. In October, 2009, the gift agreement was modified to create a Cognitive Aging and Memory Clinical Translation Research Program (CAM-CTRP) under the Director of the Institute on Aging, Marco Pahor, MD.
 - 1.8. Funding for the CAM-CTRP will be funded by one-half of the investment income on the \$26 million portion of the endowment.
 - 1.9. Dr. Marco Pahor is the Scientific Coordinator and Ronald A. Cohen, Ph.D. was appointed the Director, July 1, 2012 and Dr. Adam Woods was appointed Assistant Director, July 1, 2013.
- 2. Evelyn F. McKnight Center for Age Related Memory Loss at the University of Miami Miller School of Medicine. (Renamed the Evelyn F. McKnight Brain Institute, December 10, 2010.)**
 - 2.1. Established December 24, 2002, with a \$5 million gift by the MBRF to be matched 100% by the U of Miami., payable at \$1 million annually, by each the MBRF and the UM, for five years.
 - 2.2. Established an educational focus for medical students and house staff on cognitive aging as well as a research program on the influence of aging on learning and memory.
 - 2.3. Ralph Sacco, MD is the Executive Director
 - 2.4. Clinton Wright, MD is the Scientific Director
 - 2.5. The investment income from the endowment will be used to support research in cognitive aging and the influence of aging on learning and memory
 - 2.6. The match was completed by the UM in December, 2013
 - 2.7. In August, 2014, an additional gift of \$2 million from the MBRF to be matched by the UM established the Evelyn F. McKnight Chair in learning and Memory in the Aging to be occupied by Dr. Clinton Wright
 - 2.8. The Director of Education position in the Evelyn F. McKnight Brain Institute was vacated in 2012 by Dr. Richard Isaacson to accept a position at another institution. A search remains in progress to fill the position.
- 3. Evelyn F. McKnight Brain Institute at the University of Alabama, Birmingham (UAB)**
 - 3.1. Established, May 15, 2004 with a gift of \$5 million from the MBRF to be matched 100% by the UAB. The gift and the match were payable at \$1 million annually for five years.
 - 3.2. The Evelyn F. McKnight Brain Institute occupies 75,000 sq. feet of office and laboratory space in the new Shelby Interdisciplinary Biomedical Research building.

McKnight Brain Institutes Profiles

- 3.3. David Sweatt, PhD is the Director of the F. McKnight Brain Institute University of Alabama, Birmingham and the Evelyn F. McKnight Chair for Learning and Memory in the Aging.
 - 3.4. August 2009, an amended gift agreement created a \$10 million endowment--\$5 million to be paid by the MBRF and \$5 million to be paid by the UAB, payable at \$1 million by each annually for five years.
 - 3.5. The investment income from the endowment will be used to support research in Cognitive aging and the influence of aging on learning and memory with a focus on clinical translation.
 - 3.6. An addition gift of \$1 million was made by the MBRF to be matched 100% by the UAB payable a \$500,000 annually over a two year for recruitment of faculty and the equipping of research laboratories.
- 4. Evelyn F. McKnight Brain Institute at the University of Arizona**
- 4.1. Established October 17, 2006, with a \$5 million endowment to be matched 100% by the University of Arizona, payable at \$1 million annually by each for five years.
 - 4.2. The Evelyn F. McKnight Brain Institute at the University of Arizona occupies 10,000 sq. feet of dedicated office and laboratory space in the biomedical sciences building.
 - 4.3. Carol Barnes, PhD is the director of the Evelyn F. McKnight Brain Institute and occupies the Evelyn F. McKnight chair in Learning and Memory of the Aging.
 - 4.4. The investment income from the endowment will be used to support research in Cognitive aging and the influence of aging on learning and memory.
 - 4.5. The Evelyn F. McKnight Brain Institute at the University of Arizona has established the Evelyn F. McKnight Memory and Cognitive Assessment Clinic for research scientists to test and document and document cognitive abilities including memory function, reasoning process, complex task function, judgment, language comprehension, motor skills and overall medical histories
 - 4.6. Dr. Barnes has the largest colony of aging non-human primates in the country.
 - 4.7. May 1, 2014, gift agreement signed to establish a \$10 million permanent endowment for the benefit of the EMBI in support of research in cognitive aging age related memory loss. The Gift is composed of a \$5 million gift from the MBRF to be matched dollar for dollar by the University of Arizona or the UA Foundation, payable \$1million annually beginning in 2015. In addition, a gift of \$200,000 annually for three years of spendable funds was made by the MBRF beginning in 2014, also to be matched by the MBRF and or the UA Foundation.

Monte Carlo Simulation

Distribution Rate: 2.5%

Monte Carlo Simulation

Zephyr AllocationADVISOR: SunTrust Institutional Investment Solutions

Portfolio Value

Case: Simulation Case Initial Value: 54,193,280 Wealth Goal: 75,000,000 Inflation Rate: 2.50%

Simulation Trials

	Year 3	Year 5	Year 7	Year 10	Year 15	Year 20	Year 30
Portfolio Value							
10th Percentile:	90,733,000	111,842,496	135,628,144	175,612,416	260,531,184	378,431,008	775,008,640
25th Percentile:	76,308,872	90,018,976	103,123,208	126,739,376	177,552,320	242,806,240	453,380,480
50th Percentile:	63,078,416	69,684,256	77,155,016	90,148,616	114,991,280	148,719,776	243,661,904
75th Percentile:	52,122,640	54,287,032	57,726,328	63,184,660	74,788,672	89,382,776	132,275,584
90th Percentile:	43,802,700	43,517,824	44,073,248	46,668,204	51,163,012	57,478,220	78,397,104

Flows

Flow 1							
10th Percentile:	(2,326,487)	(2,867,756)	(3,477,645)	(4,502,883)	(6,680,287)	(9,703,359)	(19,872,016)
25th Percentile:	(1,956,638)	(2,308,179)	(2,644,185)	(3,249,728)	(4,552,624)	(6,225,801)	(11,625,141)
50th Percentile:	(1,617,395)	(1,786,776)	(1,978,334)	(2,311,503)	(2,948,495)	(3,813,328)	(6,247,741)
75th Percentile:	(1,336,478)	(1,391,975)	(1,480,162)	(1,620,120)	(1,917,658)	(2,291,866)	(3,391,682)
90th Percentile:	(1,123,146)	(1,115,842)	(1,130,083)	(1,196,621)	(1,311,872)	(1,473,801)	(2,010,182)

Mean Return Assumption (arithmetic) 7.5%, Assumed Standard Deviation: 18%, Distribution Rate: 2.5%

Log normal distribution – assumes portfolio cannot loose more than 100% of value

Portfolio Value – Simulation Trials :

50th Percentile: assumes a constant 7.5% return, 18% Std Dev and 7.5% annual distribution rate

10th Percentile and 90th Percentile – assumes a 10% probability of either outcome occurring over stated time period

Within 10th and 90th Percentiles (to include the listed 25th, 50th and 75th) outcome probability is 80% over stated time period

Monte Carlo Simulation

Distribution Rate: 5.0%

Monte Carlo Simulation

Zephyr AllocationADVISOR: SunTrust Institutional Investment Solutions

Portfolio Value

Case: Simulation Case Initial Value: 54,193,280 Wealth Goal: 75,000,000 Inflation Rate: 2.50%

Simulation Trials

	Year 3	Year 5	Year 7	Year 10	Year 15	Year 20	Year 30
Portfolio Value							
10th Percentile:	83,220,696	97,561,992	111,243,944	132,947,704	175,298,384	223,064,448	358,329,120
25th Percentile:	70,128,928	77,634,584	85,625,952	97,938,896	119,305,136	142,330,128	204,183,952
50th Percentile:	57,880,464	60,669,696	63,715,112	68,614,976	76,942,880	86,918,592	112,109,872
75th Percentile:	47,908,228	47,706,476	47,809,336	48,562,340	49,656,580	53,545,756	61,422,932
90th Percentile:	40,629,112	38,244,152	36,893,164	35,413,052	34,390,032	34,657,012	35,523,248

Flows

Flow 1							
10th Percentile:	(4,380,037)	(5,134,842)	(5,854,945)	(6,997,248)	(9,226,231)	(11,740,235)	(18,859,428)
25th Percentile:	(3,690,996)	(4,086,031)	(4,506,629)	(5,154,679)	(6,279,218)	(7,491,059)	(10,746,525)
50th Percentile:	(3,046,340)	(3,193,142)	(3,353,427)	(3,611,315)	(4,049,625)	(4,574,663)	(5,900,520)
75th Percentile:	(2,521,486)	(2,510,867)	(2,516,281)	(2,555,913)	(2,613,504)	(2,818,198)	(3,232,786)
90th Percentile:	(2,138,375)	(2,012,850)	(1,941,746)	(1,863,845)	(1,810,002)	(1,824,053)	(1,869,645)

Mean Return Assumption (arithmetic) 7.5%, Assumed Standard Deviation: 18%, Distribution Rate: 5.0%

Log normal distribution – assumes portfolio cannot loose more than 100% of value

Portfolio Value – Simulation Trials :

50th Percentile: assumes a constant 7.5% return, 18% Std Dev and 7.5% annual distribution rate

10th Percentile and 90th Percentile – assumes a 10% probability of either outcome occurring over stated time period

Within 10th and 90th Percentiles (to include the listed 25th, 50th and 75th) outcome probability is 80% over stated time period

Monte Carlo Simulation

Distribution Rate: 7.5%

Monte Carlo Simulation

Zephyr AllocationADVISOR: SunTrust Institutional Investment Solutions

Portfolio Value

Case: Simulation Case Initial Value: 54,193,280 Wealth Goal: 75,000,000 Inflation Rate: 2.50%

Simulation Trials

	Year 3	Year 5	Year 7	Year 10	Year 15	Year 20	Year 30
Portfolio Value							
10th Percentile:	77,750,776	86,189,048	93,720,008	102,920,720	118,844,800	132,500,480	160,556,624
25th Percentile:	65,016,196	68,930,720	71,150,160	75,061,376	80,300,288	84,743,448	91,976,544
50th Percentile:	53,599,284	53,096,496	52,997,232	52,454,336	51,766,084	51,252,656	50,477,624
75th Percentile:	44,261,880	41,441,244	39,557,232	37,022,688	33,866,984	31,620,404	27,261,804
90th Percentile:	37,191,928	33,265,152	30,223,922	27,123,734	23,288,546	20,317,522	15,915,598

Flows

Flow 1

10th Percentile:	(6,304,118)	(6,988,302)	(7,598,920)	(8,344,924)	(9,636,065)	(10,743,283)	(13,018,105)
25th Percentile:	(5,271,584)	(5,588,978)	(5,768,932)	(6,086,058)	(6,510,835)	(6,871,091)	(7,457,558)
50th Percentile:	(4,345,888)	(4,305,122)	(4,297,073)	(4,253,055)	(4,197,250)	(4,155,621)	(4,092,781)
75th Percentile:	(3,588,801)	(3,360,101)	(3,207,344)	(3,001,840)	(2,745,972)	(2,563,817)	(2,210,417)
90th Percentile:	(3,015,562)	(2,697,175)	(2,450,588)	(2,199,222)	(1,888,261)	(1,647,367)	(1,290,454)

Mean Return Assumption (arithmetic) 7.5%, Assumed Standard Deviation: 18%, Distribution Rate: 7.5%

Log normal distribution – assumes portfolio cannot loose more than 100% of value

Portfolio Value – Simulation Trials :

50th Percentile: assumes a constant 7.5% return, 18% Std Dev and 7.5% annual distribution rate

10th Percentile and 90th Percentile – assumes a 10% probability of either outcome occurring over stated time period

Within 10th and 90th Percentiles (to include the listed 25th, 50th and 75th) outcome probability is 80% over stated time period

Gift administration to NIH/NIA

Gifts to the NIH/ NIA
Abbreviated Summary

- 1. The National Institutes of Health cannot solicit gifts**
- 2. The various Institutes (such as National Institute on Aging) under the National Institutes of Health can accept conditional and unconditional gifts.**
- 3. Gifts can be made directly or through the Foundation for the National Institutes of Health.**
- 4. If made directly through the NIA, the management fee charged by the FNIH is avoided.**
- 5. Monetary gifts are deposited and managed through government accounts and income from these investments retain the same limitations or conditions as the original gift.**
- 6. Conditional Terms that are generally acceptable include:**
 - a. A grant directed to support a specific institute, lab or project.**
 - b. Agreement to collaborate with other scientific institutions.**
 - c. Provision of financial reports to the donor at appropriate intervals.**
 - d. Participation by the donor in public scientific meetings or conferences.**
 - e. Audits by the donor, as arranged between the parties.**

NIH POLICY MANUAL

1135 - Gifts Administration

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1. Explanation of Material Transmitted: The material transmitted contains policies and procedures to be followed when accepting gifts. This material includes updated guidance regarding gift terms and conditions to be considered when accepting gifts, applying for grants, and returning unused gift funds to the donor. In addition, the information in the chapter has been restructured.

2. Filing Instructions:

Remove: NIH Manual 1135 dated 09/20/2005.

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A. Purpose:

This chapter establishes policy and procedures concerning the

acceptance, acknowledgment, and administration of gifts (including bequests, devises of real property, legacies, grants, and donations from living donors) to the National Institutes of Health (NIH) or to support its activities or components. This manual chapter applies to the receipt of gifts, both monetary and non-monetary that are accepted under the authority established in Sections 231, 405(b)(1)(H), and 497 of the Public Health Service (PHS) Act, as amended (42 U.S.C. §§238, 284(b)(1)(H), and 289f)

This chapter does not govern interagency agreements (IAAs) accepted under the gift authority. These transactions are governed by Manual Chapter 1165, "Agency Agreements." Also, there are exceptional circumstances when an employee, with agency approval, may accept a gift on behalf of the agency from a foreign government or international organization. The guidelines for such acceptance, which fall under the Foreign Gifts and Decorations Act (5 U.S.C. 7342) are not covered in this manual chapter. For additional information, please confer with your Institute or Center (IC) Deputy Ethics Counselor.

B. Background:

This information is intended to enable the NIH to take full advantage of its statutory and delegated authorities to accept gifts while preserving public trust by maintaining the objectivity of the NIH in carrying out its activities. Compliance will enable NIH management to efficiently control the acquisition and use of such resources and ensure NIH complies with appropriations laws and maintains the integrity of its operations.

The NIH is authorized to receive gifts to supplement appropriated funds to support its research efforts under: 1) the statutory authority for the acceptance of conditional and unconditional gifts, including grants as

conditional gifts; 2) the Stevenson-Wydler Technology Innovation Act of 1980, as amended, for the acceptance of funds pursuant to a Cooperative Research and Development Agreement; 3) the Federal Technology Transfer Act of 1986, as amended, for the acceptance of royalties resulting from government inventions; and 4) the statutory authority for the Foundation for the National Institutes of Health (FNIH) to transfer funds to the NIH. This manual chapter establishes policy only for the statutory authority for the acceptance of conditional and unconditional gifts, including grants as conditional gifts.

The NIH is authorized to accept both gifts and transfers of funds from the FNIH. Gifts from the FNIH are authorized pursuant to Sections 231, 405(b)(1)(H), and 497 of the PHS Act, are governed by this policy, and must fulfill all the requirements of this policy. Transfers of funds from the FNIH are authorized by section 499(j)(10) of the PHS Act (42 USC 290(j)(10)) and governed by the policy on Public Private Partnerships, Manual Chapter 1167, "Public-Private Partnerships." Transfers from the FNIH do not need to comply with the requirements of this gift policy. Similarly, there are various authorities under which other federal agencies may transfer funds to NIH. Although NIH generally accepts these interagency transfers under its gift authority, such interagency transfers do not need to comply with the requirements of this gift policy.

C. Policy:

Gifts are categorized as unconditional or conditional. A gift will be considered unconditional if it is made to the NIH, an IC, or any other constituent part of the NIH for the benefit of all or any of these organizations, or for the carrying out of any of their functions, without further specification as to its purpose or manner of use. A gift will also be considered unconditional if it is limited to one or more of the general

purposes of any part of the PHS Act administered by the NIH or to one or more of the general purposes of any institute, agency, or component established pursuant to Title IV of the PHS Act. Examples of gifts considered unconditional include gifts limited by donors for the following purposes: "the National Institutes of Health," "the National Cancer Institute," "cancer research," without further specification.

A gift will be considered conditional if the donor restricts its purpose, or imposes conditions, to support a specific research study, project, or conference; to support activities of an NIH employee identified by organizational affiliation; to support specifically identified functions, such as observances, ceremonies, particular public information or health promotion campaigns, community outreach activities; or purchase of specific items or types of equipment, or other specific uses.

Examples of purposes that would be considered conditional include a gift to the NIH: 1) to support a specific activity conducted by, e.g., the "Office of Research on Women's Health"; 2) to support an identified research project performed by a specific IC laboratory or extramural grant or contract; 3) to support certain categories of expenditure, such as personnel, equipment, or supplies; or 4) under a grant mechanism that imposes specific terms and conditions on NIH in the expenditure of the gift. Gifts to support activities of individual employees may be accepted only if the principal beneficiary of the gift is the NIH rather than the employee, and the gift is given in such a form that the money can be used even if the employee leaves NIH.

Under Section 231 of the PHS Act, gifts may not be accepted that are conditioned upon any expenditure that cannot be met from the gift itself or from the income of the gift. In addition, neither the gift nor any conditions associated with it should exert influence over NIH program priorities.

Accordingly, the NIH may accept a gift to support a mission-related priority if it is already conducting the activity or is prepared to conduct the activity even without the gift. However, the NIH is precluded from accepting a gift to support an activity that would not be conducted but for the gift and thereby reorders the programmatic priorities of the agency and diverts the use of appropriated dollars from activities with higher priorities.

EXAMPLE: An IC would like to engage in a high priority, but very expensive multi-year clinical trial but does not have adequate appropriated funds. Fortunately, a donor has offered to fund the trial. In this scenario, an IC is legally permitted to accept the gift provided that there is no condition on the government to expend appropriated funds towards the clinical trial. In the event the donor ceases to fund what is presumably a multi-year trial, the IC should be prepared to complete the trial with appropriated dollars, because the IC has established the trial as a program priority.

When making a determination whether or not to accept a gift, the IC must consider the identity of the immediate donor of the gift to the agency, and may consider the identity of any entity that may have funded the donor. For example, if a gift comes to the agency from a private foundation (for instance, FNIH), it is not necessary to determine if another entity (for instance, a tobacco company) is the original source of the foundation's money. If, however, the agency knows that the foundation's source of funds is from an entity or individual with whom the agency does not want to be affiliated, then the agency, as a discretionary matter, may choose to decline the gift even though the immediate donor poses no concerns. In another example, an NIH grantee making a gift to the agency would still be considered a prohibited source even if the grantee were making a subaward of funds from a private foundation that is not a prohibited source.

When making a determination whether or not to accept a gift, the IC must also consider the terms and conditions of the gift, which must be consistent with applicable law and policy. Although not exhaustive, below are some common terms that often appear in grants and other forms of gifts that have been categorized into acceptable, unacceptable, and requiring careful consideration.

Terms that are generally acceptable include:

- A grant directed to support a specific institute, lab or project.
- Agreement to collaborate with other scientific institutions.
- Provision of financial reports to the donor at appropriate intervals.
- Scientific reports to the donor that the IC is also prepared to publicly share.
- Participation by the donor in public scientific meetings or conferences.
- Audits by the donor, as arranged between the parties.

Terms that are generally not acceptable because they are prohibited by other laws or are contrary to NIH policy include:

- Any options, promises, assignment or licensing of government-owned intellectual property, including an agreement to share intellectual property equally, to the donor.
- Any sharing of royalties from the licensing of government intellectual property or any reimbursement of grant or gift funds in the event that the government receives royalties from licensing.
- Any agreement that the government indemnify the donor for liability.
- Any warranty to the donor by the government.
- Agreement by the government to obtain specific or general liability insurance policies.
- Any term that might enable the donor to limit or restrict the NIH's

ability to publish research results.

- Any delegation of NIH's inherently governmental responsibilities or decision-making.
- Participation in peer review or otherwise exerting real or potential influence in grant or contract decision-making.
- Donor naming or co-branding an NIH program or grant.

Grant terms that are not illegal but should be carefully considered as to whether the interests of the IC are served by accepting an award with such conditions include:

- Access to data, results or specimens in advance of what NIH would normally release to any other member of the public. (For example, disclosure of data to a collaborator, absent a confidentiality agreement, could be considered a public disclosure under Freedom of Information Act (FOIA) or patent law.)
- Participation in steering committees unless the donor has bona fide expertise that would justify participation absent the gift.

In evaluating terms and conditions, a gift with terms or conditions that undermine the integrity of the NIH's scientific/administrative review process or research mission should be declined. If in doubt about any terms of an award, please consult with the Office of the General Counsel (OGC).

Receipt and Administration of Gifts:

Under federal law, funds received by or for the United States or its agencies, including gifts, must be deposited in and administered through government accounts and may not be deposited with or otherwise administered by other persons or organizations. An outside organization, such as a foundation whose mission is solely or in part to support NIH

activities, may not serve as a financial intermediary for a third party in the donation of funds, equipment, supplies, or other resources to be used in support of NIH activities or employees in the performance of their official duties, such as intramural research, unless authorized by law. Currently, the only authorized financial intermediary for a third party donation of funds is the FNIH which operates under explicit statutory authority to solicit, accept, invest, and manage third party donations to support the NIH in its mission. Except for FNIH-administered gifts, the statutory gift acceptance authority of the NIH provides an adequate basis for accepting all donations, if otherwise proper, directly from the donors, while allowing NIH managers to control their administration. In the use of gift acceptance authority, employees and managers must determine whether acceptance of a gift would compromise or appear to compromise the integrity of the NIH or any of its employees. Authority to accept gifts is set forth in Delegation of Authority, Finance No. 5, "Accept Gifts Under Section 231 of the PHS Act," unless exceptions or waivers have been otherwise granted under a specific separate statutory authority.

Solicitation Prohibited:

NIH policy prohibits employees, either directly or through another party, from requesting or suggesting donations to the NIH or to any of its components, of funds or other resources intended to support activities. The Comptroller General has determined that application for grant funds does not constitute gift solicitation. Comptroller General Decision B-255474 (April 3, 1995).

When an outside organization or individual expresses an unsolicited interest in supporting NIH activities, an employee may provide information on the authority of the NIH to accept gifts and the procedures for offering and accepting gifts. The Information Fact Sheet on Donations to the NIH

may be sent to potential donors (see Appendix 4). The policy against solicitation of gifts precludes the solicitation of funds and other in-kind gifts, but does not preclude NIH employees from seeking and engaging in collaborative activities, such as co-sponsored conferences, Cooperative Research and Development Agreements, grants, or public private partnerships.

Appendix 5: Standard Operating Procedures:

1. Monetary Gifts

a. Cash and Checks - one time

Step 1: Once an IC receives a donor's check, cash, or similar instrument, within two business days, the IC must send the instrument along with a copy of the Gift Transmittal Form (see Appendix 1) and the donor's letter (if applicable) to the OFM Cashiers Office.

Step 2: Within twenty business days after receipt of a monetary gift, the recipient IC must determine whether to accept the gift and must notify the donor of the decision. This time frame may be extended in cases where the decision whether or not to accept a gift is still under review or negotiation. When an extension is required, consultation with OGC is encouraged.

Step 3: Once an IC has determined that acceptance of a gift is appropriate, it must forward a copy of the Acceptance Letter (see Appendix 3) along with a copy of the Gift Acceptance Checklist (see Appendix 2), if applicable, to the OFM Cashiers Office.

b. Wire Transfer Donations

Once a recipient IC becomes aware that a donor plans to send a wire transfer donation, the recipient IC should prepare an Acceptance Letter in the most expeditious manner. A copy of the completed and signed Acceptance Letter, along with the Gift Transmittal Form, Donor's Letter, and Gift Acceptance Checklist (if applicable) are to be faxed to the GLB.

If a wire donation is received by GLB staff but they do not receive a copy of the corresponding backup documentation within 5 working days, GLB will notify the IC by email. If GLB does not receive a copy of the backup documentation within 10 working days the wired funds may be sent back to the donor.

c. Donations/Pledges to be given Incrementally

Scenario 1: Should an IC receive a donation or pledge that is to be submitted to the NIH in increments over a period of one fiscal year and should the total value of the gift be for an amount that is \$5,000 or greater, the IC is required to: 1) Complete the Gift Acceptance Checklist; and 2) Submit a copy of the Acceptance Letter, Gift Transmittal Form, Donor's Letter, and Gift Acceptance Checklist to the OFM Cashiers Office, for the initial donation received. For all subsequent donation/pledge receipts, an IC is to submit a copy of ONLY the Gift Transmittal Form.

Scenario 2: If the total value of the gift being donated in increments is less than \$5,000, the IC is to submit a copy of

the Acceptance Letter, Gift Transmittal Form, Donor's Letter, and Gift Acceptance Checklist (if applicable) to the OFM Cashiers Office, for the initial donation; and ONLY a copy of the Gift Transmittal Form for subsequent donation/pledge receipts.

The Acceptance Letter should state that the gift is being deposited to the "component's appropriate gift fund account," the purpose for which the funds will be used (reference to a "Breast Cancer Gift Fund" or an "Emphysema Gift Fund," for example, is technically incorrect and, therefore, should not be used), and, if it is a conditional gift, a statement acknowledging the donor's wishes regarding the disposition of unobligated funds. Unobligated funds are either transferred to the component's unconditional gift fund account for the support of any other objectives of the recipient component or returned to the donor. The OFM Cashiers Office will then deposit the money. Gift checks more than 90 calendar days old will not be accepted by OFM for deposit and will be returned by the IC to the donor for reissuance.

Acceptance Letters must be signed by an authorized official, and must state the purpose for which the gift will be used. Copies of the Acceptance Letter must be forwarded to the OFM, DDM, DDIR, and DDER, as outlined above in Section F. If a gift is not accepted or the donor refuses to accept NIH terms, any uncashed checks tendered by the donor must be promptly returned to the donor. If the donor's check has already been cashed, OFM will draw a refund check from the Treasury and send it to the donor.

In the case of conditional monetary gifts, if it is determined at any time after acceptance that the condition(s) cannot be met, or if residual funds exist, the IC will deal with the funds in accordance with the wishes of the donor that were arranged during gift acceptance. If the disposition of unobligated funds was not negotiated during gift acceptance the IC will contact the donor to find out the donor's wishes.

- d. The OGC and the Executive Secretariat are available to assist in reviewing an Acceptance Letter.

Executive Session