

THE LEUKEMIA & LYMPHOMA SOCIETY SPONSORSHIP AND GIFT ACCEPTANCE POLICY

I. Purpose

This statement expresses The Leukemia & Lymphoma Society's (LLS's) policies regarding the acceptance of charitable gifts and affiliations, partnerships and sponsorships. This document is intended for internal use by the entire organization. Executive Directors should apply these guidelines and be encouraged to ask questions of their Field Directors if they are unsure. Our goal is not to have every relationship reviewed upstream, instead to make people aware that resources are available should there be questions.

II. LLS Philosophy

LLS is a nonprofit organization that welcomes and relies on the generosity of individual, foundation and corporate contributions to advance its mission. Gifts, affiliations, partnerships or sponsorships must be consistent with the mission, goals and priorities of LLS, as determined by the Board of Directors. The acceptance of donations does not suggest that LLS either endorses or condones points of view of our contributors. LLS reviews all potential affiliations, partnerships and sponsorships for appropriateness. When gifts or relationships are national or multi-national in nature, a review is conducted by an internal LLS selection committee, composed of: the Chief Executive Officer, Chief Financial Officer, Chief Marketing and Revenue Officer, and Chief Mission Officer. LLS reserves the right to consult with counsel regarding such relationships as well as the right to review and reconsider them at its discretion.

III. Affiliations, Partnerships and Sponsorships

A. Relationship Requirements – Relationships must not be contrary to law or LLS public policy and may not obligate LLS to act in any manner that could jeopardize its tax exempt status. LLS will not pay a commission, fee or any type of consideration in exchange for the abovementioned relationships, except as described within this policy.

LLS affiliates, partners and sponsors must agree in writing to support the mission of LLS to cure all blood related cancers and provide quality care for patients, by their joint participation. Affiliates, partners and sponsors receive name recognition for joint activities and agree that their relationship with LLS will not be used as a platform that emphasizes activities such as self-promotion or recruitment of members in ways that are contrary to the mission, goals and priorities of LLS.

B. LLS Obligations – LLS, to the best of its knowledge, will not partner with any individual, foundation or corporation, whose livelihood is inconsistent with the goals and objectives of LLS. Likewise, LLS, to the best of its knowledge, will not enter into relationships with parties whose support is derived through illegal means.

IV. Responsibility to Donors

A. General – LLS staff and representatives will assist donors in supporting the achievement of LLS campaign objectives. Staff and representatives will anticipate potential conflicts of interest between the donor and LLS, seeking to avoid pressure or influence, when implementing a gift.

B. Confidentiality & Anonymity – Details of transactions between a donor and LLS will be held in confidence. LLS Home and Field Offices will NOT provide donor names and mailing information to brokers or insurance agents for marketing purposes.

LLS will honor a donor's wish to remain anonymous and take reasonable steps to safeguard a donor's identity. If a gift without a known restriction for anonymity is to be used in a public announcement (i.e. a press release) or other marketing purposes, LLS staff will make best-effort attempts to notify the donor and secure donor permission, when possible. Disclosure of gifts to LLS employees and volunteers is NOT considered a public announcement.

C. Disclaimer – Prospective donors working with LLS staff and considering a substantial gift, will be advised that computations made by LLS employees or volunteers are only estimates. Donors are advised to consult with independent legal or financial counsel on charitable gift planning decisions, prior to entering into a gift commitment with LLS, to ensure the donation (including but not limited to real and tangible personal property, cash and securities) fulfills the donor's charitable intentions and expectations, including tax implications. LLS reserves the right, if necessary, to require that a donor consult with independent counsel to ensure there is no undue influence, that the donor is mentally competent to legally transfer property and that the donor has sufficient title or ownership and control to specified property.

D. Note on Appraisals – If a donor provides LLS a copy of an appraisal, the Donor Development Department shall advise the donor in writing that by accepting the written appraisal, LLS will not be responsible for determining whether it meets the definition of a "qualified appraisal," as defined in federal income tax regulations. Instead, donors should have such determinations made by their own tax advisor.

V. Gift Criteria and Documentation

A. General – All gifts must be consistent with the mission, goals and priorities of LLS, as determined by the Board of Directors. Gifts must not be contrary to law or public policy and may not obligate LLS to act in any manner that may jeopardize its tax exempt status or result in the payment of income tax. LLS will not pay a commission, fee or any type of consideration in exchange for the right to receive a donation except as described within this policy. LLS reserves the right to consult with counsel prior to accepting a gift.

B. LLS generally uses a letter of intent rather than a legally binding pledge to document a donor's charitable intention. If however, a legally binding pledge is required, the following documentation must be provided: An individual donor should provide proof that a provision has been made in his or her estate plan, to fulfill any unpaid pledge obligation, should the donor die prior to completing the pledge agreement. An individual making a pledge in a personal capacity, who has a foundation, must enter into a pledge agreement with LLS as an individual and the foundation must enter into a SEPERATE pledge agreement, to ensure the obligation is fulfilled. A foundation making a pledge to LLS will not be required to provide additional documentation beyond the pledge agreement. All legally binding pledge agreements will be coordinated by the Donor Development Department and signed by the Chief Executive Officer.

VI. Gift Restrictions

A. Unrestricted Gifts -- To ensure maximum flexibility in pursuit of the LLS mission, donors will be encouraged to make unrestricted gifts.

B. Restricted Gifts - LLS may accept a gift or bequest that is restricted to a specific use, so long as the restriction aligns with LLS's approved mission and processes, in the year the gift will be made.

C. Other Restrictions -- LLS may accept gifts or bequests that are restricted for use, even if the required use cannot be entirely fulfilled in the year the gift is being made, as long as a condition does not violate organization policies and prior approval has been obtained from at least two (2) of the following: Chief Marketing & Revenue Officer, Chief Mission Officer, or Chief Financial Officer (CEO consultation when needed).

D. Variance Power -- LLS reserves the right to broaden, or alter the purpose of a restricted gift or bequest, if the original purpose of that restriction NO LONGER meets the needs, serves the mission, or exists. If LLS CANNOT expand the use of a restricted gift or bequest, honor a condition or restriction, or successfully obtain a modification to comply with LLS policies, then LLS may choose NOT to accept that gift or bequest or may decide to terminate the acceptance of an ongoing gift arrangement.

VII. Gift Types

A. Cash - Gifts may be remitted by cash, check or credit card.

B. Publicly Traded Securities - Securities that are publicly traded on an established U.S. stock exchange will be accepted by LLS. Such securities may be sold promptly by LLS. Publicly traded securities that are subject to restrictions on sale can be accepted with prior approval obtained from at least two (2) of the following: Chief Marketing & Revenue Officer, Chief Mission Officer, or Chief Financial Officer (CEO consultation when needed).

C. Closely Held Securities - Non-publicly traded securities may be accepted only with prior approval from at least two (2) of the following: Chief Marketing & Revenue Officer, Chief Mission Officer, or Chief Financial Officer (CEO consultation when needed). Such securities will be held by LLS until there is an appropriate market or they are redeemed by the issuing company.

D. Real Property (including house raffles) – All gifts of real property must be submitted for consideration of acceptance to LLS and will require a review by at least two (2) of the executive management staff: Chief Marketing & Revenue Officer, Chief Mission Officer, or Chief Financial Officer (CEO consultation when needed) OR one (1) of the above and one (1) additional LLS staff or outside advisor, as deemed necessary by the above mentioned executive management staff. The review will require that the donor provide: a qualified appraisal (see section II, paragraph C, of this policy, for appraisal information), an environmental report (phase I audit, prepared by a competent, disinterested individual or firm), proof of ownership/title and evidence that the property is free of encumbrances.

Raffles: LLS will NOT purchase any home or be a partner in endorsing or organizing any raffles of purchased real property. LLS does not specialize in the area of real property transactions for the purpose of fundraising. Raffle activities have federal and state legal requirements, as well as unforeseen liabilities and unpredictable outcomes. A raffle of real property organized for the benefit of LLS, must be a third party event and follow third party event protocols and best practices.

E. Timeshares (Ownership) – LLS will NOT accept the transfer of ownership in timeshares as a donation. LLS will not assume liability and potential risks related to accepting this type of asset.

Auction of Usage: Timeshare usage may be included as an auction item.

Auction of Ownership: A transfer of the ownership interest in a timeshare cannot be offered as an auction item because it is a partial interest gift and charitable deductions will not apply.

F. Life Insurance/Qualified Plans/IRAs – LLS encourages being named as a primary or contingent beneficiary of life insurance, IRAs, pensions and other qualified benefit plans.

Purchase/Sale Life Insurance: LLS will NEITHER buy NOR sell any life insurance policy or advise any individual to buy or sell life insurance.

Transfer: LLS must be the only beneficiary of a life insurance policy being transferred to the organization. LLS will not enter into a split interest agreement without the prior approval from at least two (2) of the following executive management staff: Chief Marketing & Revenue Officer, Chief Mission Officer, or Chief Financial Officer (CEO consultation when needed). LLS will accept annual gifts for the purpose of maintaining an existing policy, as long as LLS is the owner and sole beneficiary of the policy.

Marketing Life Insurance: No insurance products may be endorsed by LLS for funding gifts or any other purpose without prior approval from at least two (2) of the following executive management staff: Chief Marketing & Revenue Officer, Chief Mission Officer, or Chief Financial Officer (CEO consultation when needed). Lists of LLS donors may not be furnished to anyone for the purpose of marketing life insurance products.

G. Tangible Personal Property – Tangible personal property will not be accepted by LLS, unless it can be disposed of quickly or it can be used in furtherance of LLS's exempt status. LLS does NOT accept donations of automobiles or boats, except through a raffle, as a prize or as proceeds from a third party event. Donors will be advised by LLS staff in accordance with section II, paragraph C of this policy.

Acceptance: All offered gifts of tangible personal property shall be reviewed and investigated by the Donor Development Department to reasonably determine if the gift meets the requirements of this policy. The Donor Development Department can accept a gift with an estimated value that appears to be less than \$5,000. Gifts with an estimated value of greater than \$5,000 require the approval of at least two (2) of the following: Chief Marketing & Revenue Officer, Chief Mission Officer, or Chief Financial Officer (CEO consultation when needed).

H. Donor Advised Funds – LLS will comply with Internal Revenue Regulations (IRS) on donor advised funds.

I. Partnerships and Other Liabilities – Due to possible liabilities, LLS will NOT accept a gift of a general partnership interest. Gifts of limited partnership interests or interests in limited liability companies may be accepted, only after appropriate research and investigation has been made (including, but not limited to, consultation with outside legal counsel, communication with interested parties and conferring with members of the Board of Directors) and the approval must be made by at least two (2) of the following executive management staff: Chief Marketing & Revenue Officer, Chief Mission Officer, or Chief Financial Officer (CEO consultation when needed).

J. Other Property – Mortgages, trademarks and patents may be accepted by LLS with prior approval from at least two (2) of the following staff: Chief Marketing & Revenue Officer, Chief Mission Officer, or Chief Financial Officer (CEO consultation when needed). If LLS is a beneficiary of this property in an estate and notified after death, LLS will accept the gift, as long as it is determined by the Donor Development Department that acceptance will not burden the organization with costs and liabilities.

Copyrights or royalties may be accepted by LLS with prior approval from at least two (2) of the following: Chief Marketing & Revenue Officer, Chief Mission Officer, or Chief Financial Officer (CEO consultation when needed). If LLS is a beneficiary of this property as part of an estate and notified after death, LLS will accept the gift, as long as it is determined by the Donor Development Department that acceptance will not burden the organization with costs and liabilities.

VIII. Commitment of Charity Assets

A. Charitable Gift Annuities – LLS, through its Donor Development Department and its standard application process, will issue one (1) and two (2) life immediate, deferred, and flexible charitable gift annuities to donors, in exchange for their contributions (LLS prefers cash, rather than credit cards and marketable securities), using annuity rates published by the American Council on Gift Annuities, except LLS may negotiate a lower payment rate, at its discretion. LLS will offer gift annuities to donors only in the states in which it is registered. The Donor Development Department will ensure the program complies with all applicable state laws, where registered.

Minimum Amount: The minimum amount accepted in exchange for a gift annuity shall be \$10,000, except that a prior gift annuity donor may establish one or more additional gift annuities for an amount of \$5,000 or more, per additional annuity.

Minimum Age: LLS requires a minimum age of 65, for all parties entering into an immediate one (1) and two (2) life gift annuity. LLS will enter into deferred annuities with a maximum deferral term of 10 years and, at that time, the donor must reach the minimum age of 65.

Gift Date: If securities are used, it shall be valued for purposes of determining the annuity payment, as of the date LLS and/or the financial institution managing the program receives the securities. Prospective gift annuity donors shall be advised of this in writing by the Donor Development Department. If a donor wishes to use multiple assets to establish one gift annuity, the donor will be notified in writing that the gift will be complete only when all assets have been received by LLS and/or the financial institution managing the program, at which time the assets will be valued for purposes of calculating the annuity payment. If the donor wishes to use cash and securities to reach a specific dollar amount for a gift annuity, the securities will be treated as transferred to LLS on the date received and shall be valued on that date. If securities do not meet the desired specific dollar amount, then the donor may provide a check to LLS, to reach that amount no later than the next business day.

Consideration: No consideration shall be provided to a gift annuity donor in exchange for the asset(s) used to establish the annuity, other than the annuity itself.

Investment: Amounts received by LLS in exchange for charitable gift annuities shall be invested as required by law. Except as otherwise approved by the Chief Executive Officer and/or Chief Financial Officer, any amount received in exchange for a gift annuity (including appreciation or depreciation in value and all earnings allocable to such amount over the life of the annuity agreement) shall be maintained intact by LLS and shall not be spent for purposes other than satisfying the annuity obligation, until that obligation to pay on the annuity has terminated.

B. Bargain Sale - LLS does NOT commit funds to enter into a bargain sale transaction with donors. Any exception requires specific approval after appropriate research and investigation has been made (including, but not limited to, consultation with outside legal counsel, communication with interested parties and conferring with board members). The specific approval must be made by at least two (2) of the following executive management staff: Chief Marketing & Revenue Officer, Chief Mission Officer, or Chief Financial Officer (CEO consultation when needed).

This prohibition against disbursements does NOT apply to incidental costs (including, but not limited to, administrative, investment and professional services).

IX. Fiduciary Relationships

A. General – LLS will NOT agree to serve as executor, trustee or power of attorney, in a donor's estate planning documents. If circumstances of an estate indicate that it may be in the best interest of LLS to serve in a fiduciary capacity, that exception requires specific approval after appropriate research and investigation has been made (including, but not limited to, consultation with outside legal counsel, communication with interested parties and conferring with members of the Board of Directors).

Approval must be made by at least two (2) of the following executive management staff: Chief Executive Officer, Chief Marketing & Revenue Officer, Chief Mission Officer, or Chief Financial Officer.

B. Endowments – In light of LLS’s goal to cure blood cancers, endowments are not generally pursued, as our desire is to put the full value of any donation to work immediately. However, if an endowment is preferred by a donor, the minimal amount for an endowment is \$1,000,000. Further, if an endowment is accepted, we will ask for a “sunset” provision with the gift. LLS will accept additions to existing endowments. Endowment gifts other than those already maintained by LLS must be approved by at least two (2) of the following executive management staff: Chief Executive Officer, Chief Marketing & Revenue Officer, Chief Mission Officer, or Chief Financial Officer. Donors will have no control over the investment of endowed gifts.

X. Donor Recognition

A. General – LLS will recognize donors, based on giving levels achieved, gift type and event participation.

B. Naming Opportunities – A donor may be offered a naming opportunity in limited circumstances. Except as provided in the Policy on Donor Designated Gifts, the following criteria must generally be met to name a researcher: The researcher must be an LLS-funded investigator; the donor must underwrite at least half of the researcher’s annual grant; and the naming shall be in effect for the period that is underwritten by the donor. Before offered formally to a donor, the naming opportunity must be approved by the Chief Mission Officer and at least two (2) of the following: Chief Executive Officer, Chief Marketing & Revenue Officer, or Chief Financial Officer.

XI. Policy on Donor Designated Gifts for Research and Therapy Acceleration

LLS welcomes major gifts that are restricted to support its programs in biomedical research and therapy acceleration.

Contributions that support established programs within the current budget represent LLS’s highest major gifts priority. LLS employs several additional ways to respond to donors who want their gifts to support program objectives, other than those that LLS’s current budget and established programs are designed to support.

Under certain conditions, a gift designated to fund an approved research grant or an approved therapy acceleration contract may represent funding that is incremental to the current year budget. (It is important for donors to know that LLS does not have an endowment to support its programs; each year LLS must raise the donations that are required to fund the activities included in LLS’s budget.)

First, incremental (i.e., “over-budget”) funding is possible for a biomedical research grant when LLS’s budget cannot accommodate all of the projects deemed highly meritorious by a peer review committee. In such cases a portfolio of meritorious, but unbudgeted projects, is established and a donor’s gift may be designated to fund any project in the portfolio. Or, the gift may be designated for a budgeted project, with the proviso that LLS’s budget be used to support a project in the portfolio. In either of these cases of over-budget funding, unless otherwise determined by LLS’s scientific and lay leadership, a donor’s gift must be sufficient to fund the designated project in its entirety.

In the second case of over-budget funding, a wait list of projects, as well as a gift sufficient to fund the designated application, must exist.

Second, a gift may represent over-budget funding for a biomedical research program of LLS when:

- The gift is designated to fund a disease-specific biomedical research activity not currently available in LLS's project portfolio.
- The gift is large enough to fund such an activity in its entirety¹.
- The program is launched by LLS through a Request for Applications (RFA) process.
- LLS makes award(s) based on a peer review process.

Third, a gift may represent over-budget funding for the therapy acceleration program of LLS when LLS's budget cannot accommodate all of the activities selected and identified as meritorious by the program's oversight committee. In such cases, the designated gift must be large enough to fund the over-budget activity in its entirety, unless otherwise determined by LLS's scientific and lay leadership.

Fourth, a donor may wish to advance LLS's mission by designating a major gift to support a biomedical research or therapy acceleration initiative that is not present in LLS's established budget or programs and does not fall within the options noted previously in the first three examples.

In such cases, the donor's request and supporting documents are channeled to two groups. The first group is led by the Chief Mission Officer, who convenes a meeting of the Senior Vice President of Research, the Chair of the Medical and Scientific Affairs Committee and the Chair of the Therapy Acceleration Program. This Ad Hoc Committee reviews the donor's proposal and develops a recommendation based on whether the activity proposed has scientific merit and reasonable potential to advance LLS's mission. Should the Ad Hoc Committee need access to additional information, they may call upon the expertise, talent and experience of members of LLS's Medical and Scientific Affairs Committee and Subcommittees as well as external experts.

Concurrently, the donor's request is reviewed by a second Ad Hoc Committee, led by LLS's Chief Marketing & Revenue Officer. This group includes a BOD member, the Senior Vice President for Revenue Generation and the National Director for Donor Development. The group assesses the proposal from the perspective of LLS's donor development objectives, LLS's present and future relationship with the donor, and the potential of the donor to make further contributions to LLS's mission.

Within 30 days of the submission of the donor's request, the following process will be completed. Each Ad Hoc Committee develops a recommendation and submits it to the CEO and Chair of the BOD. The CEO convenes a meeting of the Executive Committee; this leadership group then decides and communicates the outcome of the request.

¹To attract enough high-quality scientific applications to justify a new LLS research initiative, an unbudgeted disease-specific research activity requires donor-designated funding that is at least equal to the funding level of a SCOR award (\$6.25 million in fiscal year 2007).

Accordingly, LLS strives to strengthen donor relationships and education, assesses the mission advancement merit of prospective major gifts designated for unbudgeted biomedical research and therapy acceleration activities, and accepts or declines to accept, such gifts based on their scientific and donor development merit, as well as their administrative feasibility for LLS.

XII. Periodic Review

General – The Donor Development Department will review this policy periodically to ensure it accurately describes the ongoing policies of LLS and will propose any changes to the executive management staff for consideration.