

## **AMERICAN KIDNEY FUND GUIDING PRINCIPLES IN CORPORATE RELATIONSHIPS**

The American Kidney Fund (AKF) provides invaluable assistance to persons who have, or are at risk of developing, chronic kidney disease and end stage renal disease. AKF improves the health of patients by providing direct financial aid, community service projects, public and professional education, medical research support, and health-related advocacy. This assistance is made possible through the generous support of volunteers and charitable contributions to AKF.

In many cases these mission activities cannot be accomplished as well alone as they can be through collaboration and alliances with like-minded organizations. It is for this reason that AKF has increasingly sought to forge appropriate and productive collaborative relationships with other non-profit organizations and government agencies as well as corporations and/or other commercial entities.

Relationships between AKF and corporations must be constructed so as to enhance and never to detract from AKF's integrity and credibility. For AKF to remain viable and to fulfill its critical role, public trust is absolutely essential. AKF must uphold the appropriate standards with its corporate partners, as inappropriate corporate relationships can negatively impact the faith of the donating public and the public credibility of AKF in general.

AKF considers first and foremost its Internal Revenue Code section 501(c)(3) mission and serving its constituents in all decisions, including whether to enter into a relationship with a commercial entity. AKF has established these guidelines to help it take full advantage of mission-related opportunities, while creating safeguards against any possible negative impact which such relationships might have on AKF's ability to serve its mission and its reputation for public service and integrity. As used herein, "corporate" shall be deemed to refer to AKF's relationships with corporations, as well as other commercial entities, such as limited liability companies, business trusts, and partnerships.

These guidelines are intended to:

- Enable the public to better understand the purpose of AKF's corporate relationships and appreciate the diligence that is exercised to ensure that the public's trust and faith are not violated by these relationships.
- Inform corporations of the standards and practices under which AKF will consider collaborating and forming corporate relationships, including the strict adherence to all applicable laws and regulations.
- Establish that health claims resulting from a corporate relationship must be accurate and beneficial to intended audiences.

## **Corporate Relationship Definitions**

There are a variety of corporate relationships. Some relationships involve a monetary exchange; some involve in-kind services; and others are educational and awareness building in nature. All such relationships are entered into to support and advance the mission of AKF.

The definitions that follow are to help describe the nature of these relationships and enable the public to better understand the terminology:

- **Sponsorships:** A corporation provides financial or in-kind support for a specific AKF activity or program, which could support education, research, awareness, and/or fundraising. In return, AKF publicly acknowledges the support of the corporation and/or product.
- **Health message promotions:** AKF licenses to a corporation the right to use AKF's name, logo or message in the corporation's product advertising, promotional or educational materials. This relationship is typically set forth in a royalty license agreement.
- **Royalty Licensing Agreements:** AKF licenses a company to develop, produce, market and/or distribute a mission-related product (e.g., AKF brand cookbooks, books, or videos) or utilize AKF's name or trademark for donation of used clothing and household items (Thrift Stores) or donation of used vehicles (AKF's Car Program).
- **Certification:** AKF certifies or recognizes that a particular product or service of a company complies with a standard or criteria which AKF has published. Certification by AKF is neither an endorsement of the product or service nor an exhortation by AKF to the public to purchase such product or service.
- **Strategic alliance:** A mutually beneficial relationship between AKF and a corporation. Typically, AKF helps supply a health education message or service that is delivered through a company delivery system to better serve people with AKF's particular health interest or condition. It is often a collaborative effort to improve the health information or service provided to the individual. It may not necessarily involve a monetary exchange. AKF in all cases will make sure the message provides valuable information to the public and is consistent with AKF's mission and standards.
- **Cause Marketing:** This generally implies that a donation to AKF or cause by a corporation is triggered with the purchase of a product that is "marketed" to the public to benefit the AKF, most commonly based on sales during a specific period. Specific monetary amounts need not be reported except where a purchase by a consumer causes a donation to be made to AKF, in which case AKF must disclose the amount or percentage of money from the sale which will actually go to the organization, the duration of the campaign (e.g., the month of October), and any maximum or guaranteed minimum contribution amount (e.g., up to a maximum of \$200,000).

The definitions above describe the basic types of corporate relationships but are not necessarily separate and distinct. There may be overlap, and hybrid arrangements can exist. The types of relationships set forth above are not meant to be exhaustive. For example, AKF may create a restricted fund for a certain endowment in support of its mission and solicit contributions from the public, including gifts from corporations and their affiliated foundations.

## **Criteria for Evaluating Corporate Relationships**

### **Public Stewardship**

- **Mission-related benefit:** Corporate relationships must have a meaningful AKF mission-related benefit to the general public or particular constituencies of AKF. These benefits may include: increasing the dissemination of health information and education to the public using the additional resources provided by the corporate partner that would not otherwise be available to AKF; leveraging AKF's resources by employing corporate resources to help develop, produce and implement AKF mission-related programs, materials, and activities; offer AKF new means to increase public awareness of AKF's vitally important mission and to raise the funds which are needed to support this mission; and/or increasing the overall capacity of AKF and effectiveness to fulfill its mission.
- **Independence:** While AKF will accept financial support and other benefits from corporations, AKF will always exercise independent judgment in all its decision-making.
- **Consumer Communications:** Materials from a corporation or AKF, directed to the public, will contain accurate and non-deceptive terms or statements such that a reasonable individual will understand the nature and extent of the corporate relationship.
- **Disclosure:** AKF will, unless otherwise prohibited by law, disclose financial support it receives as a result of corporate relationships. AKF will disclose amounts received from corporations identified on Schedule B of its Form 990 (more than the greater of \$5,000 or 2% of the total amount of contributions reported on line 1 h of Part VIII of Form 990 (2008)). In addition, the disclosure will include support received by any of AKF's divisions, chapters and affiliates with more than \$250,000 in annual revenue. AKF will publish the disclosure information in a format easily accessible to the public (e.g., on its website or in its annual report) within six months of the close of AKF's fiscal year. The disclosure information will include the name of the corporation, the aggregate amount of support provided by that corporation, and the total amount of all corporate support received from all corporations.
  - **Exceptions to disclosure related to AKF's Health Insurance Premium Program (HIPP):** The above language pertaining to disclosure of corporate donations to AKF will not apply to contributors to the Health Insurance Premium Program (HIPP) due to the limitations on such disclosure outlined in the Inspector General Advisory Opinion 97-1 that allowed for the creation of the program. In that opinion the IG expressly states that neither the contributors to HIPP nor AKF shall disclose the identities of contributors to AKF's HIPP program.

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- Endorsements: Any endorsements made by AKF are clearly understandable to a reasonable consumer and specify whether they address a feature or attribute of the product or its overall efficacy.
- Exclusivity: In general, AKF will not enter into exclusive relationships with corporations, with the exception of certain sponsored events on a limited basis. Moreover, in certain cases, AKF may acknowledge a corporation as an exclusive sponsor in a certain discrete category and only for a limited period of time.
- Consistency: AKF will not enter into a relationship with a product or corporation that is inconsistent with AKF's mission, principles, public positions, policies or standards.
- Certifications: Certifications will only be issued by AKF once it is determined that the product or service complies with or satisfies an applicable or relevant standard of AKF. Exclusive certifications will be avoided unless they: (i) are limited to a particular activity for a specified time period; (ii) provide meaningful benefit to the organization and public; and (iii) do not prohibit AKF from engaging in different types of activities with competing corporations and/or products.
- Privacy: AKF shall have written guidelines that will protect the privacy of individuals that participate in its corporate relations activities and/or programs.
- Balance: AKF evaluates on an annual basis the total amount of corporate support received as a percentage of total revenue.

### **Organizational Stewardship**

- Review and Approval: The review of the corporate relationship will consider the legal issues, educational message, public perceptions, monetary benefits to AKF, and whether it falls within AKF's mission. Each corporate relationship will be subject to ongoing review and evaluation to ensure it meets AKF's criteria stated above. AKF's VP of Development and Field Operations will review and approve all corporate relationships before they are executed. In circumstances where a new corporate relationship is entered into with a company that falls outside the renal community or involves a transfer of funds over \$50,000, approval by one or all of the following may be necessary; the CEO, Board of Trustees committee or subcommittee, or full Board of Trustees.
- Compliance: AKF will have a mechanism to assure compliance with its corporate relations policy by regional offices of AKF as well as by the national office.
- Advance Review and Approval: Any use of the AKF name, logo and identifying marks in a corporate relationship must be reviewed and approved by the AKF in writing in advance of their use, including in statements, advertising or other materials from the corporation. Usage of the AKF's name/logo and identifying marks shall be specified in addition to the period of usage. AKF shall not allow its name/logo or identifying marks to

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be used in any promotion or advertisement that names and compares competing products unless the AKF has determined the superiority of the product with which it is associating and can substantiate its superiority.

- Written Agreement: There must be a written agreement between AKF and a corporation prior to implementation of a corporate relationship. This agreement will:
  - Clearly outline the amount of money that the corporation must transfer to AKF
  - The purpose of the money being provided (either unrestricted or restricted to a particular program or event)
  - If restricted, the description of the programmatic activity that both parties have agreed upon for the purpose of disclosure to the general public
  - The manner in which each party will disclose the support to the general public, such as a press release, social media promotion and/or posted on each party's website.

AKF will periodically review and revise the Guiding Principles for Corporate Relationships to ensure organizational independence and values are maintained. Specific protocols related to staff implementation of the above guiding principles are described in AKF's Corporate Relationships Operating Guidelines.

## **CORPORATE RELATIONSHIPS OPERATING GUIDELINES**

These operating guidelines describe the processes and procedures to be followed by AKF staff in considering and implementing corporate relationships.

### **Criteria for Evaluating Corporate Relationships**

#### **Screening**

At the outset, each proposed corporate relationship should be evaluated to determine whether it meets the criteria in the board-approved Corporate Relationships Policy. In addition, each proposal should be evaluated considering AKF's goals, strategies, priorities and policies; net benefits to AKF; risks; availability of resources; timelines; proper control and implementation; and evaluation. Sufficient time must be planned for AKF's usual and customary review and approval processes.

#### **Written Agreement**

Once the components of the corporate relationship have been finalized, the VP of Development & Field Operations shall ensure that a written agreement is prepared that includes all of the elements specified in the board-approved Corporate Relationships Policy. The written agreement will be reviewed and approved by the CEO, CFO, or their designee prior to execution and implementation. AKF may also submit the written agreement for review by legal counsel. The written agreement will be signed by the CEO, CFO, or their designee.

#### **Donation Refusal**

AKF reserves the right to refuse or return any gift that is not consistent with its mission that could introduce a conflict of interest, that is prohibitively restrictive, that could expose AKF to liability or adverse publicity, or that could violate local, state or federal law. Furthermore, gifts will be accepted only when:

- (i) Undue influence would not be exerted by the donor to shape the spending of AKF nor to distort the programs of AKF (i.e., the independence of the organization's advocacy or political endorsements is not compromised by the gift); and
- (ii) The gift does not endanger the public's trust in AKF.
- (iii) The sources of the gift are lawful.

#### **Control of final content**

As specified in the written agreement, AKF retains complete control of and right of approval over all content related to the project or event. Likewise, AKF must approve all uses of its name/logo and identifying marks. Ads, promotional materials and any health messages should be reviewed by AKF staff and approved in advance by the VP of Development & Field Operations.

The commercial message must be visually/audibly separate from the AKF identification. There must be a clear scientific basis for the message. The corporation's materials--including text, graphics and the combination of the two--cannot suggest or reasonably imply an endorsement or recommendation by AKF, or a message or impression other than that approved by AKF.

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Disclosure

The VP of Development & Field Operations will ensure that corporate contributions are disclosed according to the methods and timeframe specified in the board-approved corporate relations policy.