Issued to Client SaD

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To the Board of Directors
and Management of Cancer Fund of America, Inc. and Affiliate

In planning and performing our audit of the consolidated financial statements of Cancer Fund of America, Inc. and Affiliate as of and for the year ended December 31, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered Cancer Fund of America, Inc. and Affiliate's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in Cancer Fund of America, Inc. and Affiliate's internal control to be material weaknesses:

Board of Directors

Having a diverse Board of Directors is important in making it easier for members to exercise proper fiduciary responsibility and decrease their potential liability. We recommend that the Organization consider the following when selecting Board Members to improve oversight of the Organization:

- *Have a Majority of Independent Board Members.* A majority of Board members should be independent of the Organization. A strict definition of an independent director is someone with no material relationship to the Organization or related Organizations and who has not been employed by the Organization or related Organizations for at least five years. Persons who are not independent include Organization management and other key employees and their family members or relatives; partners or officers of banks, law firms, consultants, suppliers, fundraisers, or others who do material business with the Organization. Also, it may be difficult for a friend of management who is technically independent to maintain an independent frame of mind.

- *Separate the Chief Executive and Board Chairman Positions or Elect a Lead Director.* Preferably, the chief executive officer should not also be the chairman of the Board. If these two positions are combined, a "lead director" should be elected from among the independent directors. This director would help develop meeting agendas and be a liaison between the Board and management.

- *Diversity in Board Members.* Board members should have come with a diverse background. This includes accounting, legal, marketing/public relations, nonprofit experience as well as general business experience.

- *Board Should be Self-Perpetuating.* Once the Board of Directors is established, the Board should nominate and vote for additions or replacement members.

- *Provide Training for Board Members.* The Organization should consider providing access to training programs for Board members. Training topics could include accounting terminology and basics; how to read, interpret, and evaluate financial statements; warning signs of financial trouble or fraud; the role and legal responsibilities of directors and the Board. Members need to understand their fiduciary duty as a Board member and potential liability that can arise from lack of exercising such duties.

In light of recent developments in the nonprofit sector, good Board governance should be a top priority for the Organization.

Gifts In-Kind

During the course of our audit, we noted the following related to gifts in-kind:

Humanitarian Aid and Medical Programs:

- Management and the Board of Directors have not adopted an official valuation policy on gifts in-kind. We recommend that such a policy be adopted and all valuations be done by the Organization instead of relying on a third party for such valuations.

- The Organization does not have documentation of direct communication with the final user of donated medicines and medical supplies. We recommend that the Organization be in direct communication with the final users of the products instead of relying on a third party for such communication.

- The Organization has not properly vetted the projects administered by a third party to ascertain that all proper controls were in place.

- Upon acceptance of shipments of medicines and medical supplies, the Organization was unaware of the condition, storage location, or original source of the shipments' contents. Instead, it appears that the Organization relied exclusively on the representations of the resource provider as to the existence, location and condition of the shipments' contents.

- The Organization and the Organizations third party administrator of the shipments were unable to provide contact information for the original donor of the products. They were also unable to provide expiration dates on the medicines. The Organization should not accept gifts in-kind donations of medications if procedures are not in place to ensure that all medications arrive in the recipient country within six months of remaining shelf life.

It is our recommendation to management that they visit all foreign and domestic projects in order to retain control and discretion of the goods and to ensure that all in-kind donations are being properly used within the Organizations purpose. Management should also expand their records associated with in-kind shipments to include report files from the Organizations staff to include pictures and summaries as to how program sites were visited and how goods were distributed by beneficiaries. We believe it is no longer prudent for the Organization to rely on third parties to perform recommended procedures based on recent developments.

Employee Use of Organization Credit Card

During our audit, we noted that several employees have an Organization credit card. We recommend that the Organization evaluate each employees need for the credit card and reduce the number of cards distributed. Having too many employees with access to a credit card can create a lack of internal control over the use of the card and could lead to fraud or abuse. We also noted that employees use Organization credit cards for personal and business purposes. We do not recommend allowing employees to use Organization credit cards for personal use. By doing this, the Organization is relying on each individual employee to report to the Organization which expenses were business and which were personal each month. If the Organization chooses to continue to allow personal use of the Organization credit cards, a strict policy needs to be put into place on the procedures related to the credit card use. We recommend that the Organization require all employees to submit receipts to the CFO for all purchases on the Organization credit card as soon as the purchase is made. The employee should indicate on that receipt if it is for personal or business purposes, and if for business purposes, include a description of the charge for expense posting purposes. Any charges to the credit card that are not supported by receipts shall be automatically deemed a personal expense and charged to the employee at the end of each month. Employees shall reimburse the Organization for all personal expenses charged to the Organization credit card on a monthly basis before the credit card bill is paid. This would prevent the Organization from "loaning" employees money through credit card use. If the employee does not reimburse the Organization in a timely manner, we recommend the Organization deducting the amount from the employee's paycheck.

This communication is intended solely for the information and use of management the Board of Directors, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

PSHH Audit & Assurance Services, PLLC

Certified Public Accountants
Knoxville, Tennessee

June 19, 2013

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