



Grassley's Requests of Televangelists are Well-Founded

Unchecked media churches could undermine the Gospel message

By Michael Barrick

When Senator Charles Grassley (R-Iowa) recently requested that numerous high-profile televangelists disclose financial information to the Senate Finance Committee by early December, his call precipitated debate among Christian church and ministry leaders concerned about overreaching government.

It shouldn't have. While Grassley's move is admittedly dramatic, what he has called for is reasonable – proof that these church leaders are not misusing funds intended for charitable purposes. Grassley, the ranking member of the Senate Finance Committee, is doing what the Church should do – ensure that its leaders adhere to fundamental biblical principles such as transparency and honesty while exhibiting a sacrificial lifestyle modeled after Jesus. The ministry leaders Grassley has contacted are:

- Randy and Paula White of Without Walls International Church and Paula White Ministries of Tampa, Fla.
- Benny Hinn of World Healing Center Church Inc. and Benny Hinn Ministries of Grapevine, Texas.
- David and Joyce Meyer of Joyce Meyer Ministries of Fenton, Mo.
- Kenneth and Gloria Copeland of Kenneth Copeland Ministries of Newark, Texas.
- Bishop Eddie Long of New Birth Missionary Baptist Church and Bishop Eddie Long Ministries of Lithonia, Ga.
- Creflo and Taffi Dollar of World Changers Church International and Creflo Dollar Ministries of College Park, Ga.

Grassley's requests of the ministries are not baseless. These televangelists are not strangers to controversy - MinistryWatch.com has been highlighting their questionable activities for years. For years, questions of their financial practices and arguably extravagant lifestyles have raised eyebrows. Grassley explained, "As a Christian myself, and a person who believes in tithing, I feel I have a right to know where my money goes. If a person gets a tax deduction for a donation, the deduction and donation should be for a legitimate purpose."

Church leaders critical of Grassley's call are setting up a straw man. It is irrelevant that it is a secular official calling these televangelists to account. The Bible could not be clearer – church leaders are held to a high standard. "For the overseer must be above reproach as God's steward..." (Titus 1:7a NASB). These televangelists are soliciting donations in the name of Christ. If they also contradict the Gospel with how they spend those donations, Kingdom-building efforts everywhere can be negatively impacted.

So, this is a sentinel moment for the Church. Senator Grassley has found it necessary to do a job the church should have done itself. Evangelical leaders should have been consistently and vocally alerting believers about how some ministers appear to abuse the benefits of a church's privileged legal structure for personal gain. Grassley has apparently long had suspicions about such abuses. According to his office, Grassley wrote to the ministries, "Recent television reports and news articles regarding the possible misuse of donations made to religious organizations have caused some concern for the Finance Committee."

Additionally, one can't ignore how the theology

embraced by many televangelists contributes to their refusal to be transparent. The Word of Faith theology espoused by some televangelists places them above scrutiny – in their minds. Because they receive a "word from the Lord," they are not answerable to mere humans. Anyone daring to question their management or spending is really just attacking God – as they may portray it. Of course, while completely unfounded, such claims are irrefutable. Who can challenge God, after all?

Equally troubling are their lifestyles, again rooted in their theology. We are here for God's purposes and the sacrificial life modeled by Jesus is the standard for our own lives. Many televangelists proclaim a prosperity gospel in which health and wealth are assured if one simply "plants a seed" of faith (cash donation) with them. Of course, their claims are self-fulfilling, as being flush from donations, they point to their own prosperity as proof of their theology.

Another disturbing aspect of the Word of Faith theological perspective is how it leads to ironically contradictory behavior. For while they talk about faith, they place such demands on their viewers for contributions that one can't help but suspect that the only faith they have is in human generosity (or gullibility) rather than God's provision.

So, we wish Senator Grassley success in his quest for the truth. It is time for these televangelists to come clean; otherwise it could seem that they are running nothing more than money laundering schemes in the name of Christ.

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Q&A - Issues Surrounding Grassley's Letters

By Rodney Pitzer

MinistryWatch.com has received a steady flow of questions concerning the issues surrounding the letters Senator Grassley's office has sent to the six media based mega-churches. The following are just a sample of some that we have answered recently; however, these are reoccurring questions which indicates that others may want to know the answers to them as well.

What is the significance of a Senator (and ranking member of the U.S. Senate Committee on Finance) launching an investigative review of these six ministries?

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There are three broad areas of significance:

(1) Not to overlook the obvious, is the resolution of specific issues for each of the six organizations that are indirectly raised by asking the detailed questions. There was not one generic letter sent to all six, but a tailored letter to each based on its own set of facts and circumstances. As such, there are numerous potential issues to be resolved.

(2) Dialog within the tax-exempt community about best practices, starting with governance, openness and transparency.

(3) Examination and dialog if additional laws are needed for the protection of donor intent and how charitable assets are used, or if current laws are sufficient if enforced.

Do tax-exempt organizations have a disclosure obligation?

Tax-exempt organizations under Internal Revenue Code (IRC) section 501(c)(3) have a responsibility to comply with public disclosure requirements pursuant to Internal Revenue Code (IRC) section 6104(d). The nuances are spelled out in the IRS publication 557 (Tax-Exempt Status for Your Organization). A number of exceptions exist, including for those designated as "churches" and for those designated as financially small by the IRS.

What do tax-exempt organizations have to disclose?

- *Three years of its IRS form 990 (and 990-T, among other items):* Tax-exempt organizations must make available for public inspection and/or furnish a copy of its three most recent annual information returns (IRS form 990 and 990-T). This includes any amended annual information returns, and all of its schedules, attachments, and supporting documents (except donor names and addresses). See the specifics in IRS publication 557.
- *IRS form 1023 (Exemption Application):* Tax-exempt organizations must make available for public inspection and/or furnish a copy of its application for tax-exempt status. This includes all documents and statements the IRS requires the organization to file with the form, any statement or other supporting document submitted by an organization in support of its application, and any letter or other document issued by the IRS concerning the application. See the specifics in IRS publication 557.

Why are Churches exempt from filing an IRS form 990?

Churches and religious organizations, like many other charitable organizations, qualify for exemption from Federal income tax under IRC section 501(c)(3) and are generally eligible to receive tax-deductible contributions; however, Congress has enacted special tax laws applicable to churches, religious organizations and ministers in recognition of their unique status in American society and of their rights guaranteed by the First Amendment of the Constitution of the United States. Churches and religious organizations are generally exempt from income tax and receive other favorable treatment under the tax law. Churches that meet the requirements of IRC Section 501(c)(3) are automatically considered exempt and are not required to apply for and obtain recognition of tax-exempt status from the IRS. In addition, they are then not required to file the annual financial report, the IRS form 990. Although there is no requirement to do so, many churches seek recognition of exempt status from the IRS because such

recognition assures church leaders, members and contributors that the church is recognized as exempt and qualifies for related tax benefits.

Churches and religious organizations may be legally organized in a variety of ways under state law, including as unincorporated associations, non-profit corporations, corporations sole and charitable trusts; however, the term "church" is found, but not specifically defined, in the Internal Revenue Code (IRC). The loosely held term "church" may also be used in some instances to refer to conventions and association of churches as well as integrated auxiliaries of a church. The IRS and court decisions have developed characteristics and general attributes of a "church." The IRS generally uses a combination of these characteristics, together with other facts and circumstances, to determine whether an organization is considered a church for Federal tax purposes; however, the IRS makes no attempt to evaluate the content of whatever doctrine a particular organization claims is religious, and it has virtually no mechanism to judge if a particular belief of the organization is truly and sincerely held by those professing them.

Churches have greater freedom, but all IRC Section 501(c)(3) organizations, including churches and religious organizations, must abide by certain rules such as:

- Their net earnings may not inure to any private shareholder or individual
- They must not provide a substantial benefit to private interests
- They must not devote a substantial part of their activities to attempting to influence legislation
- They must not participate in, or intervene in, any political campaign on behalf of (or in opposition to) any candidate for public officer, and
- No part of the organization's purposes or activities may be illegal or violate fundamental public policy.

What is the concept of Private Inurement as related to tax-exempt organizations?

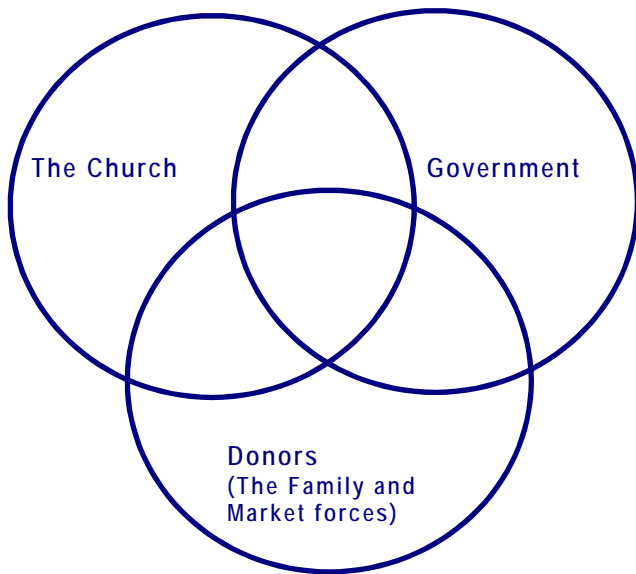
The concept of private inurement contemplates a transaction between the exempt organization and an individual who is an insider. An insider, by virtue of his or her position within the organization, has the ability to influence or control application of the organization's net earnings. Although the Internal Revenue Code and Treasury Regulations do not specify or define insider relative to inurement, the Service has adopted the viewpoint that the prohibition relates only to insider controlled benefits. (Rev. Rul. 66-259, 1966-2 C.B. 214).

There is nothing in IRC § 501(c)(3) to prohibit dealings between a charitable organization and its insiders (those in controlling positions) as long as those dealings are at arm's length, in good faith, and reasonable. For example, if an organization pays a reasonable compensation to its founder for services rendered, that is not inurement. However, when the interests of the charity are sacrificed to the private interests of the founder or those in control, exemption is precluded because the organization is serving private interests.

Inurement can take the form of questionable transactions that have no causal relationship to the organization's exempt purposes but result in some benefit to an insider, whether or not the insider provides goods and services of commensurate value to the entity. The insider is in a position to exercise control over the organization's net earnings as if they were his/her own by using them at will rather than within limitations of an employer-employee or fiduciary capacity. In effect, the insider is using the public's "net earnings" for his/her own benefit.

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Some in the Christian community argue for separation of church and state. Does this inquiry cross the line as unreasonable?

No, the current request for information is not unreasonable. It should be noted that disclosure does not require relinquishing control. It simply aids honest evaluation of the legitimacy of a claim to the benefit of tax-exempt status.

The Church, the government, and donors (the family and market forces) serve different functions and form a sort of system of checks and balances when operating together in balance. A free society will be respectful of these diverse institutions, seeking a harmonious balance between them. Freedom in these different institutions differs from one another and complement each other in ways that are necessary for a free society. Intersections take place from moral laws from the church to the government and market spheres. The market realm is the primary charitable giving force, and government makes sure the other realms are not stepping over their boundaries to cause harm. The state exists for the sake of serving its citizens, not for dominating over them. The facts and circumstances of this case indicate that there is reasonable predication for the government to ask questions.

Freedom should not be seen as the permission to do what we like, but the power to do what we ought. Unfortunately, in today's society freedom is seen in a negative sense: freedom from doing something, in the case of a select group of nonprofit organizations, the "freedom" to not disclose or be transparent. We have lost sight of it as freedom to be that which we can be or ought to be. Freedom is the power to do what we ought.

Laws are about what is right and wrong. Moral laws support the idea of a Moral Law Giver. And the Moral Law Giver teaches through Scripture that Christians have a responsibility to civil governments, which are ordained by God, for the good of the governed (Rom. 13:1-7), whether or not its leaders are confessedly Christian (Dan. 4:17). Laws duly constituted must be willingly obeyed when conscience permits. When it does not, consequences must be accepted with grace and dignity (Acts 4:19-20). Such was the consistent example of first century saints. More importantly, such was the example of Christ (1 Pet. 2:20-23).

A government establishing benefits under tax-exempt status has a duty

and must have the right to examine an organization's claim to those very benefits. It is important that the Congress and the public have confidence that tax-exempt charities, which benefit from very significant tax breaks, are operated in a manner that promotes continued trust and that these charities adhere to guidelines established by the Internal Revenue Service. In addition, donors should be assured that their donations are being used for the tax-exempt purposes of the organizations. This cannot be accomplished without some level of disclosure.

Ministries should "render to Caesar what is Caesar's and to God's what is God's". What is an Internal Revenue Code section 501(c)(3) organization, but that cultural formation from the state. Willful avoidance of disclosure obligations under law, absent clear and formal legal challenges to those laws, is *unchristian*.

Couldn't pastors claim with some justification that they should be compensated like for-profit CEO's, because some generate so much revenue and their churches are so large? Additionally, couldn't Pastors claim with some legitimacy that million-dollar homes are "parsonages" and the use of cars and a jet is needed to run the ministry, which they preach that God will reward the faithful with riches?

For-profit business has as its primary goal the pursuit of profits, a nonprofit organization is charged with the more intangible pursuit of a mission. An organization can be a tax-exempt entity (church or other charitable organization), or a for-profit entity, but not both. A church or charitable organization should have different motives as laid out in Scripture. The whole prosperity preaching is wrong, because the focus is on riches. God has clearly chosen to bless some with riches and some with poverty; however, a heart seeking after Jesus is the appropriate attitude. Prosperity theology gets the order mixed up and the riches then become a stumbling block in our relationship with the Lord. Prosperity theology also gets the magnitude of material blessings the Lord provides tied to our faith yet there are people who are poor but have great faith. That great faith results in spiritual blessings and contentment with whatever the Lord gives you. A sampling of Scripture that concerns riches, poverty, greed and attitude towards those things are as follows:

- Proverbs 30:7-9
- Matthew 13:18-23
- Luke 12:15-21
- Luke 12: 22-34
- 1 Corinthians 9
- Ephesians 4:17-24
- Ephesians 5
- 1 Timothy 3:1-10
- 1 Timothy 6: 1-10
- 1 Timothy 6:11-14
- Hebrews 11:24-26
- James 5:1-11
- 2 Peter 2:1-3
- Revelation 3:14-22

What's the standard for determining that a pastor of a tax-exempt charitable organization is getting reasonable financial compensation or crossing the line?

A number of things need to be examined, including the entire compensation package of all organizations, both current and deferred compensation to see if, (a) the compensation package is a device to distribute profits or

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transform the entities activity into a joint venture, (b) if the compensation package is the result of arm's-length determination, and (c) if the payments constitute reasonable compensation. Other factors include: if services were ever performed, if the facts indicate the individual had control and ready use of corporate earnings, if services comparable with those performed by employees could be obtained from an outside source in an arm's length transaction at a more reasonable cost, if the individual worked for the entity full-time, if the individual is a manager or employee and pay is based on a percentage of its net earnings (or "profit-sharing"), if the payment had no relationship to the value of the services rendered, and what salary surveys may indicate.

(Sources: Rev. Rul. 73-126, General Counsel's Memoranda (GCM) 39670 (Oct. 19, 1987); GCM 39862 (Dec. 2, 1991); *Founding Church of Scientology v. United States*; *Birmingham Business College v. U.S.*; *Church of Scientology of California v. Comm'r*, 823 F.2.d 1310, 1319 (9th Cir. 1987); *Basic Bible Church v. Comm'r*, 74 T.C. 846, 858 (1980); *Bubbling Well Church of Universal Love, Inc. v. Comm'r*, 72 T.C. 681, 686 (1979); *Easter House v. U.S.*, 87-1 U.S.T.C. par. 9359 (Ct. Cl. 1987); *People of God Community v. Comm'r*, 75 T.C. 127, 133 (1980)).

What do donors want from nonprofit organizations?

Integrity. All can be summarized up in one word what donors want, and that word is integrity. Donors want to know that a nonprofit organization is doing the right thing before God and man. Even when no one is watching.

Some of the specific categories under integrity that many donors care about include:

- Openness and transparency (prudent donors want to understand what it is they are going to support)
- The knowledge that their donation is being used as solicited
- That donor dollars are being used in an efficient and effective manner
- That an organization is mission focused and not overly focused on their own financial gain (Many Christian donors in particular do not want to see a ministry treasure or serve money)
- Independent governance and accountability

Some types of transactions are by their nature of so little relevance to the mission of a ministry and so likely to involve abuse that donors do not want to see them. Donors want to trust a ministry and as such they do not want to see a person in leadership of a ministry to cause it to undertake a transaction that constitutes an unreasonable benefit to an individual, which would be a detriment of the organization. For example, they do not want to see a leader to cause the ministry to purchase an asset from him or her at an inflated price, or that the leader purchase an asset from the ministry at a price that is only a fraction of its real cost. Such transactions are similar in purpose and effect to one in leadership causing a ministry to pay excessive expenses, such as buying an expensive automobile, or private residence for the sole use of the leadership of the ministry. These transactions drain assets out of the ministry and tarnish the image of all ministries.

Having to be discerning and accountable is often not a pleasant task. However, the person that wishes to grow in his or her relationship with God understands that being accountable to others is required – "As iron sharpens iron, so one man sharpens another" (Proverbs 27:17). Those that refuse to be held accountable to God's word by others invites suspicion. Frankly, donors want some level of disclosure from ministries to show that they are doing what they say they are doing.

What constitutes acceptable behavior on the part of a ministry and its employees?

At a fundamental level, there is an expectation to be ethical and moral. Foundational to ethics and morals is transparency and openness. Accordingly, it is absolutely essential that top management of every ministry carefully consider their level of transparency and communicate to their employees their standards of transparency and openness for their ministry.

If an entity's ethics are questionable or bad, then it means that the behavior or conduct of the constituents of the entity is not in the best interest of the community as a whole and may not even be in the best interest of the entity itself.

The entity has but one line of defense in a society in which the behavior or conduct of individuals is in question because of personal value systems resulting in questionable ethics: it must establish standards of conduct for its constituents. Standards of conduct are a clear statement of the entity as to what behavior or conduct is permissible and what is not.

The fear of the Lord is the beginning of wisdom, and the knowledge of the Holy One is understanding (Proverbs 9:10). Because we believe that God knows all things and that all things will eventually be revealed, there should not be extreme angst from a Christian over keeping public charities operations, financials, belief or mission hidden. Christians should have nothing to fear by being open. All will be judged at a future date, and with this thought in mind, how are we to conduct ourselves before God today? Organizations described as "Christian Ministries" are at least giving people an image of God. Is God characterized as closed, impartial and hidden; or, open, personable and knowable? Scripture enjoins Christians to conduct themselves honestly (1 Thes. 4:12; 1 Tim. 2:2), with due candor (Jms. 5:12) and grace (Col. 4:6), without deliberate offense to Jew, Gentile or the Church of God (1 Cor. 10:32), with decency and orderliness (1 Cor. 14:40), blameless, giving no occasion for rebuke (Phil. 2:15), and offering no opportunity for false accusation (1 Pet. 3:16). Responsibility for the resources God has placed in the trust of His saints is called "stewardship" in the Bible (1 Pet. 4:10), the person responsible for the resources is called the "steward" (Lk. 12:42; 16:1-8). Most Christians would not argue with the principle that the chief aim of man is to "...to glorify God and enjoy Him forever." However, how can a "Christian Ministry" "glorify God" if they are not open? Are not organizations that hide things characterized as cults? Should not Christian ministries lead by example? Besides being characterized as a steward, Christians can be characterized as ambassadors and as light because God is light. Just these few summary ideas indicate that Christian ministries should be open and transparent. In addition, responsibility to God is linked to responsibility to government and mankind.

Non-denominational mega churches built around charismatic pastors are becoming common. Have you discovered that more of them having issues with financial accountability and transparency for their church leaders?

Accountability and transparency issues are not limited to charismatic mega churches. Wall Watchers has seen a trend for Word of Faith ministries to not be transparent, but that is a little different than what some would include as charismatic. A prominent characteristic seems to be a governance issue, or the lack of independent governance. Any organization with governance that resembles a dictatorship or the rule of just a few is bound for trouble. All healthy entities are going to have a number of checks and balances in place. Churches in particular are a community of believers and should have what resembles more like a republic with Deacons, Elders or trustees and a number of separation of duties between the functions.

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What is “Word of Faith”?

Word of Faith ministries comprises a movement rather than a formal organized group. There is no founder per se; however, it can be traced to the cultic teachings of New Thought metaphysics and thus, much of the theology of the Word of Faith movement can also be found in pseudo-Christian cults as Christian Science, Unity School of Christianity and Religious Science.

Other names of the movement are known by some of the following names:

- Word—Faith
- Health & Wealth Gospel
- Positive Confession
- Name it and Claim it
- Faith-formula

Concerns Christians have of the Word of Faith movement include:

- Doctrinal error and an absence of financial accountability have typically been hallmarks throughout church history of ministries that are fleecing the flock.
- Word of Faith ministries often teach controversial and unorthodox theology that frequently seems self-serving.
- These ministries are not as open and transparent as other organizations, including the basic, such as the refusal to make consolidated audited financial statements easily available.

Characteristics of Word of Faith ministries include:

- TV-based with an emphasis on performance versus substance
- Legally organized as a church with the suspicion that it has done so to avoid financial disclosures; however, it is not what would commonly be known as a traditional congregational church. All too often, media based mega-church leaders seem enamored with riches and forget to maximize the ministry at every opportunity. Part of this characteristic includes the “pastor” no longer living on or near the congregational church property but living at a distance and removed from dealings of the community. It appears that many things become beneath the media based mega-church teacher, like they need someone to drive them, hold umbrellas, etc. - all indications of becoming untouchable in many ways.
- Tightly controlled by a few who are often family members
- Financially non-transparent – get a “F” Transparency Grade from www.MinistryWatch.com
- Questionable theology, with a predominant emphasis on “anointed” ministers and the health and wealth of viewers/donors. Other notable issues are efforts to create reality through the power of positive affirmation as well as the use of such terms such as the force of faith, the God-kind of faith, spiritual death of Christ, born-again Jesus, and authority of the believer.
- Distortion of scripture and truth with “feel good” concepts dominating, coupled with the utilization of methods customarily employed to manipulate the emotions of viewers/donors in order to increase giving to the ministry.

While the Word of Faith movement's leaders may provide some practical advice from time to time, the preponderance of doctrinal error in their teaching and focus on money should cause donors to be highly skeptical of these ministries. This skepticism is made all the greater by the refusal of these ministries to openly and honestly reveal how much money they collect and how it is spent to advance the cause of Christ through their ministry. Donors need to be careful that they are not supporting an

aberration of God's word. Viewer discretion is strongly advised when dealing with the TV-based Word of Faith movement's preachers!

What can be done to make these type of churches more accountable to the people who give them money?

Churches should internally:

1. Maintain proper governance and separation of duties
2. Design proper financial controls
3. Carry out the procedures of the financial controls
4. Make sure the financial controls are not thwarted or overridden by anyone, including top management
5. Be open and transparent to all (and especially be forthright about all related party transactions)
6. Compliance with all applicable laws, and
7. Audited Financial Statements that are available to all

Churches need to be educated about the issues and take care of any problems. Ignoring problems is wrong. If churches and those on the inside cannot take care of the problems then current laws need to be enforced. If insiders in the church do not take care of abuses and current laws are not enforced, then additional debate is needed at enforcement as well as codification of additional laws, starting with governance. Anything that looks like a dictatorship or oligarchy within a church is wrong as well as any tax-exempt entity where one person or close family can do anything they want without any accountability.

What do you hope comes of this Senator Grassley's information request of the six Christian ministries?

- (1) That the organizations comply and open their books and become transparent and prove themselves above board. If something is amiss to correct it as soon as possible

We hope all ministries teach with the warm embrace of accountability, not the cynical rejection of transparency. We hope that Christian ministries are indeed an example to follow and not otherwise. It is one of our premises that Christians should be light in a world of darkness and as such, Christians should be setting the standard by their conduct.

- Let your light shine before men in such a way that they may see your good works, and glorify your Father who is in heaven. (Matthew 5:16)
- For nothing is hidden, except to be revealed; nor has anything been secret, but that it should come to light. (Mark 4:22)
- For nothing is hidden that shall not become evident, nor anything secret that shall not be known and come to light. (Luke 8:17)
- But all things become visible when they are exposed by the light, for everything that becomes visible is light. (Ephesians 5:13)
- And He will bring forth your righteousness as the light, and your judgment as the noonday. (Psalm 37:6)
- But the path of the righteous is like the light of dawn, that shines brighter and brighter until the full day. (Proverbs 4:18)

It is not enough for ministries to live up to the minimum of any written law, or to give all men their due. Ministries ought to give them more than their due. Ministries should be concentrating on the good of others, seeking reward in self-denial and sacrifice, and not of personal advantage. Therefore ministries should treat others as they would want to be treated by them, regardless of unworthiness and ingratitude. For we must be at war with evil, but at peace with men, and it is better to suffer than to commit injustice.

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(2) That nonprofit organizations not part of this request be proactive and evaluate their own ministries and choose to operate with best practices. Starting with being open and transparent. Transparency is widely recognized as a core principle of good governance. Transparency means sharing information and acting in an open manner.

Tax-exempt operations must further their exempt purposes. The common thread running through all types of tax-exempt organizations is the absence of private ownership and profit motive. Tax-exempt organizations should not operate primarily to further the self-interest of its founders but rather engage in activities that further a proper exempt purpose.

(3) That a greater awareness is brought to the general donating population to seek to give to open and transparent organizations. Donors should be seeking information before they give as well as after. Before in order to have an idea where the money is intended and review if that corresponds to the donors values. And then after to see if it really happened. Trust but verify, so that they know if they would desire to continue to give.

The free access to information plays an important role in promoting transparency. Information, however, must be timely, relevant, accurate and complete for it to be used effectively.

What practical things may donors take before giving?

There are seven prudent steps donors can take.

(1) Seek ministries that are transparent: Is the ministry open and transparent, or are they experts in pushing emotional buttons in fundraising persuasion? Transparency is foundational in order to make a good decision. Does the ministry provide adequate financial reports for donors to be good stewards of their giving? Do not give to a ministry that claims it has no legal obligation to share financial or other information — it has a moral obligation to do so. Without access to comprehensive ministry information it is not possible for donors to make optimal giving decisions. Ministries that seek to obscure critical information from scrutiny undermine the faith and trust of donors and damage attitudes that have a long term negative impact. For those few ministries that state it has no legal obligation, it should be noted that donors are even less so obligated with any legalist obligation to give, but they do have a moral obligation to give in a prudent and wise fashion. Transparency is a consensus of practical sound wisdom. Many Christians are willing to live ethically without a governmental entity mandating that they do so. Transparency is the key component to a growing and prosperous donor — ministry relationship and fundamental to long-term ministry success.

(2) Examine the truth Claims: Now that the organization is open and giving you information, is it in fact telling the truth? If the ministry states that your gifts are tax deductible, is it true? Is the organization in fact what it says it is and is it doing what it claims? There are fraudulent and fake organizations and scams, in particular after major disasters they seem to come on the scene in droves. And those ministries that are legally formed and have a sound purpose, are they in fact spending donations as solicited? Truth is synchronized with fact and reality, not just a gut feeling and mere belief. Do not rely on an emotional hope of what the ministry might be doing, but instead check out the facts. Saint Thomas Aquinas said, "Doubt leads to inquiry and inquiry leads to the truth." We will discover the truth as a result of our ability to inquire and to learn from that inquiry.

(3) Are your beliefs as a donor reflected in the ministry? Ministries represent values, but do they represent your values? How is the organization "Christian?" Is it Christian in name only? Do they just market to Christians? Do they evangelize? What is their message? Do they teach? What do they teach? How do their theological underpinnings determine their actions? Have they strayed from theological beginnings? Are their motivations based on a theological premise? Do they have a statement of faith or a creed? What do they say or not say about God? Is it important that the organization is pro-life? Is it important how they define family? Are denominational connections important?

(4) What type of ministry function do you want to support? What kind of ministry do you believe the Lord is guiding you to give to? What type of ministry do you want to give to? Some options include Relief and Development, Foreign Missions, Evangelism Support, Evangelism, Educational Media, Community Development, Christian Growth, and Advocacy.

(5) How resourceful are your dollars being used by the ministry? What information is available in what the organization has done and how efficient is the ministry in using its resources? Is the ministry in need of additional gifts, or have they built themselves a great nest egg that looks like a perpetual foundation that could live on investments? Is the organization just all talk or are they actually accomplishing something and/or providing a great service to society? Additionally, consider the structure of the organization. Generally the simpler the structure, the more donor efficient an organization is going to be. If an organization is primarily a "fundraising" tool that in turn gives to other organizations, more overhead expenses are being used before a smaller portion of your donation makes it to those in need. Check out MinistryWatch.com's 5 Star Financial Efficiency Ratings to measure a ministry's financial efficiency. This is an objective measure because they are derived from financial ratios that are based on financial information contained within a ministry's audited financial statement or its IRS Form 990. The overall rating is a summarization of the financial efficiency rating system's three efficiency area assessments. The three efficiency areas are Fund Acquisition, Resource Allocation and Asset Utilization.

(6) Are there any red flag issues that make you uncomfortable? Are there any odd aspects of the ministry? Is the organization embroiled in lawsuits and if so, why? Does the organization employ highly emotional fundraising appeals? Emotional appeals that question or measure the depth of your faith based on how you give to them should be ignored. Is the organization's structure understandable or confusing? Do the claims made by the ministry seem realistic? Does the ministry seem to manipulate scripture and/or rely on extra biblical revelations, if so look elsewhere.

(7) Seek consultation: It is not wise to ignore talking with your spouse before committing financial resources. And if you do not have a spouse, talk to other family members. Bounce things around with a mentor, church members, and other godly counselors. If you do not have the time to perform some due diligence research, check out a donor advocacy website like MinistryWatch.com.

MinistryWatch.com aims to spur donors to examine ministries and make discerning giving decisions.

Address: Wall Watchers, 2514 Plantation Center Drive, Matthews, NC 28105.

Telephone: (866) 364-9980.