



Christian Research Institute Refuses Repeated Requests About Financial Practices and Other Operations

MinistryWatch.com issues a Donor Alert, advising donors to prayerfully consider withholding contributions to Christian Research Institute (CRI) until CRI leaders answer questions about ministry operations.

The Issue

Christian Research Institute (CRI) leaders have refused repeated requests from ministrywatch.com to explain what steps the ministry has taken in response to findings by the Evangelical Council for Financial Accountability (ECFA) that CRI breached three of the ECFA's Seven Standards of Responsible Stewardship. (For the complete story about CRI, see the articles "CRI Refuses Requests for Information" and "Was CRI Whistle Blower Justified?").

MinistryWatch.com Take

MinistryWatch.com advises donors to prayerfully consider whether they should withhold contributions to CRI until its leadership addresses donors concerns regarding the ministry's management and financial practices. We believe donors are entitled to make educated and knowledgeable choices concerning the ministries they support based on all the facts about a ministry. Until CRI management answers questions about its board's size and composition, reporting relationships, financial control systems, use of resources, and policies and procedures for employee grievances, MinistryWatch.com recommends that donors contact CRI seeking an explanation and consider supporting any number of other excellent ministries who have demonstrated transparency and treated donors honorably.

Background

Recent questions about spending habits at the Christian Research Institute (CRI) by the Evangelical Council for Financial Accountability (ECFA) came about as a result of several employees of the California-based ministry contacting the ECFA in late 2002 and news stories that followed.

Ultimately, by mid-2003, the ECFA announced that it had discovered that CRI had "breached" three of ECFA's Seven Standards of Responsible Stewardship – #2 (Board Governance), #4 (Use of Resources) and #6 (Conflicts of Interest).


And, in an article in Christianity Today magazine published in July, 2003, correspondent Marshall Allen reported that CRI paid for numerous personal expenses of the Hanegraaff family. Also, the CRI board awarded Hanegraaff a 26.5 percent raise to \$251,886 in 2001. And, Hanegraaff's wife, Kathy, received a salary of \$87,600 even though former CRI employees reported that she was rarely seen in her office that was used for storing personal belongings.

Though the ECFA claims that CRI has made needed changes, the ECFA refuses to reveal what steps CRI has taken. Instead, ECFA President Paul Nelson insisted, "Our credentials on what we do, and we've been doing it a long time, precluded the need to reveal details to the public." Apparently, CRI shares this view, because it has refused repeated requests from Wall Watchers for an interview, and has ignored repeated phone calls and questions sent to it via email and registered U.S. Mail.

Wall Watchers: Donor Advocate

Wall Watchers disagrees with the practice of withholding such information from donors, as it is their trust that has been broken. Wall Watchers believes that donors, to be generous and cheerful givers, must have confidence that ministries' disclosures regarding financial practices, spending habits, board governance and compensation, and other key practices are complete, thorough, timely and transparent.

MinistryWatch.com continues to seek answers and information on behalf of donors in the CRI case and will report any new information as it arises. Even though CRI leaders have not responded to our many attempts to contact them, Wall Watchers will attempt to remain in contact with the ministry, and employees who first uncovered the problems at CRI.

Clearly, by refusing to provide donors with any information about the failures uncovered by the ECFA and the measures taken to restore donor confidence, CRI has made it impossible for donors to know whether or not CRI has implemented meaningful safeguards to protect donors. Until these questions are answered, MinistryWatch.com alerts donors to prayerfully consider whether continued contributions to CRI are appropriate. 

Contact Information and Resources

Government Contacts

Internal Revenue Service

Exempt organization customer service address:
Internal Revenue Service
TE/GE Customer Account Services
P.O. Box 2508
Cincinnati, OH 45201

- Tax-exempt assistance: 1-877-829-5500
- General tax questions: 1-800-829-1040
- Order forms and publications: 1-800-829-3676
- Website: www.irs.gov
- Verify tax-exempt status
- Verify tax deductibility
- Obtaining federal tax-exempt status
- Completing federal tax forms
- Specialized assistance to tax-exempt organizations

Attorneys General offices, or Departments of Justice, Charitable Activities Section

Most states have an active unit of the Attorney General's office that are willing to help consumers. Check with NASCO (National Association of State Charities Officials) at www.NASCOnet.org, look under US State Charity Offices and click on the state of interest.

- Reporting illegal activity by nonprofit organizations
- Information about charitable organizations and copies of annual reports
- Questions about professional fundraising reporting requirements
- Registrations of charitable corporations or trusts
- Questions about annual reports for charitable organizations
- Merging nonprofit organizations
- Serving as a board member of a nonprofit organization
- Dissolving nonprofit organizations

Secretary of State, Corporation Division

Check phone number on the Internet or your local phonebook under state government.

- Verifying that a nonprofit corporation is in fact incorporated and current in its filing
- Obtaining copies of filed articles of incorporation and amendments
- Forming a new corporation
- Obtaining state identification numbers
- Merging nonprofit corporations
- Amending articles of incorporation
- Dissolving nonprofit corporations

Federal Trade Commission

Consumer Response Center
600 Pennsylvania Avenue, NW
Washington, DC 20580
1-877-382-4357
Website: www.ftc.gov

- Information on fraudulent, deceptive and unfair business practices
- How to file a complaint

Christian Ministry Marketplace

MinistryWatch.com

1 (866) 324-7097
www.ministrywatch.com
A free donor advocate service. Aid donors in understanding the key issues concerning a ministry's operations. Ministry research reports on over 500 ministries.

The Evangelical Council for Financial Accountability (ECFA)

1 (800) 323-9473
www.ecfa.org
A membership ministry advocate. A self regulator or peer accountability membership group. Primary responsibility to the ministries that pay dues to the ECFA and thereby fund its operations.

WWW.thegoodsteward.com

Internet source of constantly growing information on all areas of stewardship.

Generous Giving

www.generousgiving.org
Nonprofit that seeks to encourage givers of all income levels to experience the joy of giving and embrace a lifestyle of generosity, according to God's word and Christ's example. It was launched in 2000 by the Maclellan Foundation.

Royal Treasure

1 (770) 977-4502
www.royaltreasure.org
Nonprofit organization dedicated to teaching Biblical Stewardship to women.

The Gathering

www.gatheringweb.com
Conferences, email forums, conference calls and other activities for those that give a minimum of \$200,000 annually to Christian ministries or have the capacity to do so.

National Christian Foundation

1 (800) 681-6223
www.nationalchristian.com
Facilitates Christian stewardship. They can help donors set up a Stewardship Fund, a donor advised fund, liquidate assets, provide gift annuities, trusts, scholarships, and endowments.

Calvin Edwards, & Co.

1 (770)-395-9425
CalvinEdwards@MaximumGood.com
For profit organization providing philanthropic counsel to high-capacity Christian donors.

Geneva Global

1 (610) 254-8202
info@GenevaGlobal.com
www.genevaglobal.com
For profit organization assisting individual donors.

Excellence in Giving

1 (866) 780-1000
www.excellenceingiving.com
For profit organization with tailored services of affluent families and individuals.

The Legacy Group

1 (262) 789-3160
www.philanthropyatwork.com
For profit organization to assist private wealth management and those to achieve charitable goals.

Secular Resources

GuideStar

www.guidestar.org
Largest public search engine of nonprofit organizations. Provides access to many tax-exempt organization's IRS Form 990s. Some knowledge of accounting may be necessary to understand the documents found on this site.

BBB Wise Giving Alliance

www.give.org
A charitable watchdog site. The Alliance reports on nationally soliciting charitable organizations that are the subject of donor inquiries. These reports include an evaluation of the subject charity in relation to the voluntary BBB charity standards.

Charity Navigator

www.charitynavigator.org
Helps guide intelligent giving by evaluating the financial health of each charity in its database.

Charity Channel

www.charitychannel.com
Known best for its nonprofit email arena discussion forums.

The American Institute of Philanthropy

www.charitywatch.org
A charitable watchdog group that rates US charities in different categories. Fee for reports. They also provide tips to insure safe giving.

The Charities Review Council

www.crcmn.org
Conducts detailed reviews of national and local charitable organizations soliciting in the State of Minnesota. They also provide tips and guides for donors to help them make wise giving decisions.

Internet Nonprofit Center

www.nonprofits.org
Provides an extensive array of nonprofit topics.

Independent Sector

www.independentsector.org
A national leadership forum, working to encourage philanthropy, volunteering, nonprofit initiative and citizen action that help to better serve people and communities. There is a section on ethics and accountability, including donor's bill of rights, related publications, articles and other resources.

Chronicle of Philanthropy

www.philanthropy.com
Biweekly newspaper of the nonprofit world.

The Nonprofit Times

www.nptimes.com
Articles and topics related to nonprofits.

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