



Wall Watchers Taxonomies of Charities Reports, Ratings, Grades and Classifications

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Introduction

Wall Watchers' Knowledge Management (KM) program supports its stakeholders with a collection of knowledge-sharing tools, resources, research, analytics, and content development services. This Knowledge Management process helps organize, identify, classify, create, represent and distribute evaluated information. It is the synthesis of abstract information (or tacit knowledge) and attempting to see that it represents the realities and truth (explicit knowledge) in order to help donors. Tacit knowledge is when someone may have a "gut" feel that a charity is good, bad, or have some other unsupported opinion or aspect about it; explicit knowledge is the factual classification and listed expression that confirms, denies or explains that "gut" feel.

The five main categorizations or branches of taxonomies include:

- (1) Transparency Grade
- (2) Rating Sectors
- (3) 5 Star Financial Efficiency Ratings
- (4) Donor Alert designations
- (5) Shining Light designations

Each of the five main categorizations have various subsets that generally encompass the whole. Additional information available includes financial ratios, Analyst Comments, nonprofit organizational details, descriptive information, ministries Statement of Faith, Mission Statement, program accomplishments, ministry needs, numerous articles and resource pages, and comments on values, worldview and theological considerations of nonprofit organizations as those intersect and are important to donors understanding in making giving decisions.

In addition, Wall Watchers is always in process to consider adding other taxonomies and classification tools for donors as resources and time permit. As additional resources are available, Wall Watchers will further explore utilizing a (1) Worldview or Values Taxonomy (a way for donors to more readily understand key values of ministries so that they may examine if those values correspond to their own); (2) organizational structure charts that better differentiate between church and Public Charity status, as well as related organizations; (3) a Needs Rating, (4) expand the number of ministries profiled, (5) additional Analyst Comments, (6) expand research to a greater level of due diligence, (7) report on a greater range of aspects concerning ministries, including their effectiveness (8) increased capacity to examine complaints sent in by stakeholders of ministries. Many have concerns in the operation of how ministries are being conducted and want a Christian resource to turn to, (9) additional resources to attend to donor research for those "On-call" issues that donors request that are of a miscellaneous nature but are not sure where else to seek the donor questions related to ministries.

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Purpose of the Taxonomies

The taxonomies are a systematic way to classify and look at information. Taxonomy comes from two Greek words: taxis, meaning "arrangement" or "order", and nomos, meaning "law" or "science". Taxonomic schemes are typically composed of various units, or kinds of things that are arranged in a structure. Sometimes called a parent-child relationship, or subtype-supertype relationships. An example would be a car being a subtype of vehicle. A car is a vehicle, but not every vehicle is a car.

MinistryWatch.com desires donors to make confident giving decisions. One way to help donors is to understand those issues important to them, and then to classify those important matters into smaller, understandable sections, aspects and units.

Donors make decisions where to give and how much to give based on some level of knowledge. The greater the knowledge a donor has the more likely a donation will take place. Additionally, greater knowledge produces a greater perceived value and the more likelihood of a repeat donation.

There is a stewardship responsibility to both the giver and receiver to see that donations have been administered appropriately and not wasted. Givers will not donate if they believe their gift will be wasted or misappropriated. Even though there is not a "bottom line" net profit measurement of success or failure in the nonprofit world, there are a variety of methods of gaining understanding about how efficiently and effectively donations are utilized. Donors will naturally utilize such measures to gain assurance that their giving was administered wisely. Accordingly, the marketplace transaction for nonprofits is simply the exchange of donor dollars for knowledge that the donation will likely achieve its desired goal of helping those in need.

Regardless of one's beliefs about competitive forces, competition undeniably exists in the realm of Christian ministries. Ministries are clearly vying for donor dollars and regularly use standard business practices to attract as much money as possible to their ministries. Ministries with competitive advantages in terms of scale or distribution regularly exploit these for their own benefit while smaller outstanding ministries are unable to match the efforts of the larger ministries. Wall Watchers seeks to help donors obtain accurate, unbiased information about all Christian ministries to help level the competitive playing field in the Christian Ministry Marketplace. If competition exists, it should at least be fair.

A donation to a charity can be analogous to purchasing an automobile. Some may make just a knee jerk emotional decision, but it would instead be wise to make an informed decision in both cases.

A commuter may really be interested in the most efficient automobile, so they would look at gas mileage. Gas mileage would be calculated by using the same standard, regardless of type of vehicle, functional use, make, model, where made, who made it, or safety record. Gas mileage would indicate the vehicle's efficiency. Similarly, MinistryWatch.com's financial efficiency rating uses a standard regardless of sector, function, or belief.

Another car buyer may care less about gas mileage, but wants to know, where it was made, or who made it. Some people buy cars based solely on the country it came from or the company. This would be similar to a donor's interest in the religious persuasion of a ministry or in refining the definition of that of a distinctly Christian ministry.

Another car buyer may only care about the need for the wellbeing of family and the safety record of a car (or the openness or need of a ministry). Therefore, the Safety Rating (or Transparency Grade, or perhaps needs of a ministry) would be the primary factor that would matter.

Finally, a car buyer may look at just the function of the automobile. One may want a pick-up truck, another may need to haul around a dozen people, and yet another person may want the coolest car on the block. In the same way, some people may want to give to a ministry engaged in a particular function or sector, such as relief and development, evangelism, advocacy, etc.

When people have understanding, they are then able to exercise wise, discerning decisions. Wisdom is the correct use of knowledge.

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Summary of the five main classifications:

1. **Transparency Grade.** Transparency is assessed based on four areas:
 - a. Timelines
 - b. Financial information available
 - c. Foundational clarity
 - d. Level of cooperation

In order to make this assessment, Wall Watchers requests information and evaluates the response. A score is assigned between 0 and 100, with 0 reflecting worst practice and 100 reflecting best practice. However, each ministry will be considered in light of its own unique circumstances.

The scores for the four areas are averaged to determine an overall transparency score. For example, if an organization scored a 100 in the first question, a 90 in the second question, an 80 in the third area, and an 80 in the fourth area, its overall transparency score would be 87.50 (350 / 4).

The grade is based on the following scale: 0-60 = F, 61-70 = D, 71-80 = C, 81-90 = B, 91-100 = A. In this example, the overall transparency score of 87.50 would translate into a MinistryWatch.com Transparency Grade of B.

Sample of organizations with Transparency Grades of A:

- Cadence International (A)
- Campus Crusade for Christ (A)
- Crown Financial Ministries (A)
- Kingsway Charities (A)
- MAP International (A)
- Navigators (A)
- Officers' Christian Fellowship (A)

Sample of organizations with Transparency Grades of F:

- Benny Hinn Ministries (F)
- Breakthrough Ministries/ Rod Parsley (F)
- Creflo Dollar Ministries (F)
- Crystal Cathedral Ministries / Robert Schuller (F)
- Ever Increasing Faith/ Fred Price (F)
- Kenneth Copeland Ministries (F)
- World-Wide Missions (F)

2. **Rating Sectors.** Organizations are currently chosen for the following 12 Rating Sectors. This is a starting point for MinistryWatch.com. Other sectors will be added as resources and time permit.

- a. **Advocacy**

Organizations whose educational efforts are focused on informing and/or advocating a specific viewpoint on specific social issues or public policy questions relevant to Christians.

Examples:

- Alliance Defense Fund
- American Family Association
- Concerned Women for America
- Family Research Council
- International Justice Mission
- The Rutherford Institute
- The Voice of the Martyrs

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b. Christian Growth

Organizations that provide information or resources that edify the body of Christ. These organizations typically communicate their message through printed materials, conferences, seminars, and other non-broadcast media formats.

Examples:

- Answers in Genesis
- Bible Study Fellowship
- Institute for Creation Research
- Koinonia House
- Prison Fellowship Ministries/ Chuck Colson
- Stand to Reason
- Walk Thru the Bible Ministries

c. Community Development

Organizations whose programs are primarily aimed at providing direct assistance to the local communities in which they are located.

Examples:

- Ameritribes
- Habitat for Humanity International
- Metro Ministries International
- Navajo Ministries
- Teen Challenge International
- The Salvation Army USA
- YMCA of the USA

d. Educational Media

Organizations that use the radio, television, or other mass media format as their primary medium for communicating their message. These organizations are primarily program content providers, even though they may operate their own production and distribution facilities as well.

Examples:

- Ankerberg Theological Research Institute
- Children's Bible Hour/ CBH Ministries
- Focus on the Family / James Dobson
- In Touch Ministries/ Charles Stanley
- Insight for Living/ Chuck Swindoll
- Ravi Zacharias International Ministries
- The Christian Working Woman/ Mary Whelchel

e. Evangelism

Organizations that spread the gospel message by facilitating gatherings, crusades, and individual witnessing usually in the United States but sometimes throughout the world.

Examples:

- Billy Graham Evangelistic Association
- Child Evangelism Fellowship
- Chosen People Ministries
- Harvest Crusades
- Jews for Jesus
- Luis Palau Evangelistic Association
- Steve Wingfield Evangelistic Association

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f. Evangelism Support

Organizations whose primary purpose is to support the evangelistic efforts of other individuals and groups.

Examples:

- Help for Christian Nationals
- JAARS
- Mission Aviation Fellowship
- Mission Training International
- Missionary Tech Team
- Operation Mobilization
- Paraclete Mission Group

g. Fellowship Evangelism

Organizations whose programs bring together individuals with common backgrounds or circumstances for the purpose of fellowship and evangelism.

Examples:

- Christian Military Fellowship
- Fellowship of Christian Athletes
- Intersity Christian Fellowship
- Missionary Athletes International
- Moms in Touch International
- Promise Keepers
- Sports World Ministries

h. Foreign Missions

Organizations that spread the gospel primarily through missions activities in foreign nations.

Examples:

- Baptist Medical & Dental Mission
- Fellowship International Mission
- Great Commission Ministries
- New Tribes Mission
- Peter Deyneka Russian Ministries
- Slavic Gospel Association
- Wycliffe Bible Translators

i. Leadership Training

Organizations whose educational programs focus specifically on developing leadership skills in individuals.

Examples:

- Awana
- Christian Leadership Concepts
- Church Growth Center
- Church Resource Ministries
- CSB Ministries
- Leadership Ministries Worldwide
- The EQUIP Foundation

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j. Publishing

Organizations whose primary activities center around the production and/or distribution of Christian materials for use in ministry.

Examples:

- American Bible Society
- American Tract Society
- Gospel Literature International
- International Bible Society
- Scripture Union USA
- The Pocket Testament League
- World Missionary Press

k. Radio/TV Stations

Organizations whose primary activity is the operation of one or more radio or TV stations that broadcast Christian content.

Examples:

- Bible Broadcasting Network
- Cornerstone Television Network
- Faith Broadcasting
- Family Life Broadcasting
- LifeWord Broadcast Ministries
- Praise Network
- SAT 7

l. Relief and Development

Organizations whose programs are focused primarily on meeting the food, clothing, shelter, and medical needs of people around the world.

Examples:

- Christian Blind Mission
- Compassion International
- Convoy of Hope
- Food for the Poor
- Nazarene Compassionate Ministries
- Operation Blessing International
- Samaritan's Purse

3. 5 Star Financial Efficiency Ratings. The overall rating is a summarization of the financial efficiency rating system's three efficiency area assessments. The three efficiency areas are:

a. Fund Acquisition

This area compares an organization's fundraising costs with the contributions it receives and this provides an assessment of the resources expended to gain operating funds.

b. Resource Allocation

This area compares the resources expended for program to total expense and provides an assessment of resource usage or allocation.

c. Asset Utilization

This area compares the organization's resources expended to total assets. This provides an assessment of the organization's ability to get work or usage from its assets.

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The 5 Star Financial Efficiency Ratings is a series of calculations that can be classified into 13 steps. The financial information is first entered from audited financial statements and if available, an IRS form 990. Other charity evaluators only use the IRS form 990; however, Wall Watchers uses both and is able to use just the audited financial statements if that is all that is available.

Sample of organizations rated the best for financial efficiency via a 5 Star:

- Children's Hunger Fund (5 Star)
- Operation Blessing International (5 Star)
- International Aid (5 Star)
- Kingsway Charities (5 Star)
- Gideons International (5 Star)
- Medical Teams International (5 Star)
- Military Community Youth Ministries (5 Star)

Sample of organizations rated with a financial efficiency via a 1 Star:

- American Bible Society (1 Star)
- Cornerstone Television Network (1 Star)
- Covenant House (1 Star)
- Heifer Project International (1 Star)
- Pioneer Clubs (1 Star)
- Mars Hill Broadcasting (1 Star)
- John Hagee Ministries (1 Star)

4. **Donor Alert designations.** Highlight of a sampling of ministries which have at least one issue that is less than ideal for donors. Wall Watchers in its role as a donor advocate developed this format to highlight a sampling of ministries with issues important to donors, such as being non-transparent, high salaries, misleading marketing efforts, revocation of tax-exempt status, ties to cultic practices, investigations under way, and more. Most donors expect charitable organizations to act on behalf of others and not for greed, personal aggrandizement, or other reasons; however, ministries are operated by human beings who are subject to the shortcomings common to man, including what some may call the "principle of ethical entropy", or as Christians call it, sin. The assessment looked at the following seven areas:

- a. **Transparency**
- b. **Truth Claims**
- c. **Values/Worldview**
- d. **Sampling of Issues**
- e. **Resourcefulness**
- f. **Red Flag Issues**
- g. **Consultation**

Sample of organizations with a Donor Alert:

- Inspirational Network (INSP) (Donor Alert)
- Kenneth Copeland Ministries (Donor Alert)
- People United for Christ/ Peter Popoff (Donor Alert)
- Prophetic Image Expressions/ Kim Clement (Donor Alert)
- TBN/ Trinity Broadcasting Network (Donor Alert)
- Leroy Jenkins/ Healing Waters Cathedral (Donor Alert)
- Tony Alamo Christian Ministries (Donor Alert)

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5. **Shining Light designations.** Highlight of a sampling of ministries which are exemplary. The assessment looked at the following seven areas:


- a. Transparency
- b. Truth Claims
- c. Values/Worldview
- d. Sectors/Functions
- e. Resourcefulness
- f. Red Flag Issues
- g. Consultation

Sample of organizations designated as a Shining Light:

- Campus Crusade for Christ (Shining Light)
- Free Wheelchair Mission (Shining Light)
- Medical Teams International (Shining Light)
- Mercy Ships (Shining Light)
- Navigators (Shining Light)
- New Tribes Mission (Shining Light)
- Wycliffe Bible Translators (Shining Light)

Conclusion

Wall Watchers KM is a system to make meaning of the overabundance of information that requires coordination and identification of strategic priorities that justify additional knowledge generation within various knowledge subsets. Part of this process involves understanding stakeholder needs and issues to address, assuring availability, access and quality of content and expertise to help as needed. As this information is shared, efficiencies are gained that have a return on investment for the organization's knowledge assets. Managing the knowledge needs and requests for various stakeholders ensures content standards can be ensured and improved for the user experience so that the knowledge gateway is valued as a tool for making decisions. This is a practical application and outgrowth of the philosophy of Epistemology. In particular, a practical epistemology examination and application of donor needs.

Wall Watchers is an independent donor advocate facilitating the information needs of donors. This is done in part by providing information on organizations alleging to be charitable and its key leadership in order to identify materially misleading behavior, or wasteful spending practices, as well as identifying those operations that are above board and running efficiently. The objective is to limit consequences of scams and prevention of fraudulent activity, promote better allocations of giving, encourage intelligent questions of organizational structure, financial health, and advance the idea of organizational transparency and best practices. 

Provide Insight and Feedback:

Please send an email to info@wallwatchers.org with any suggestion, comment, or observation for improvement. Or feel free to answer the following:

- What type of information do you want in order to make a good charitable decision?
- If you could ask a nonprofit organization any question and get the answer, what would you ask?
- How do the values or worldview of a charitable organization impact your giving decision?
- What are some of your favorite organizations?
- What organizations would you recommend for a Shining Light or Donor Alert designation? And if so, why?

MinistryWatch.com *Reflections* aims to spur donors to examine ministries and make discerning giving decisions. MinistryWatch.com is a donor-supported service of Wall Watchers. Help Wall Watchers maintain a voice and momentum as a Donor Advocate. Your financial support will be used as a type of multiplier effect by providing confidence in the charitable sector. Improving donor representation and empowering donors can ignite a renewed interest in giving. It would also cause current giving to be targeted more effectively and strategically. Thank you for your interest to pass on wisdom, understanding and discernment to others. Write a check made out to Wall Watchers and mail it to:

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