

2018 Statement of ROI

THE RETURN ON INVESTMENT CREATED BY **COMMUNITY HEALTH EVANGELISM,**
A PROGRAM OF **MEDICAL AMBASSADORS INTERNATIONAL,**
FOR THE FISCAL YEAR ENDING DECEMBER 31, 2018

Prepared by:

CALVIN EDWARDS
& COMPANY

Maximizing the Good of Giving



for:

ROI Ministry

780 Old Roswell Place

Suite 100

Roswell, GA 30076

in collaboration with:

Medical Ambassadors International

PO Box 1302

Salida, CA 95368

October 2019

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NOTICE

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Introduction

ROI Ministry (ROIM) seeks to find, support, and promote ministries that have high levels of impact per dollar invested. These organizations proclaim the gospel, bring people to faith, or help the poor and needy in the name of Christ—and do so in very effective ways, thus ensuring a high return on investment (ROI) for kingdom giving.

Each year, since 2011, ROIM has identified and published its list of “Top 10” ministries that operated programs in the prior year that reaped significant outcomes with the finances entrusted to them. For 2019, the list includes **Medical Ambassadors International** and its program, **Community Health Evangelism**.

In addition to considering kingdom “return,” ROIM has adopted 18 standards that “Top 10” ministries should meet. These are presented in Appendix A. How Medical Ambassadors International and its program align with these standards is indicated on the following pages with color-coded symbols.

Calvin Edwards & Company (CEC), a philanthropic advisory firm in Atlanta, GA, has extensive experience calculating ROI, and performing similar analyses, for many organizations worldwide. ROIM has engaged CEC to conduct a professional, third-party review and ROI calculation of each “Top 10” ministry program since 2014. CEC was not engaged to identify the ministry programs or verify that their ROI exceeds others’.

Medical Ambassadors International completed the application process for its program, Medical Ambassadors International, and it was selected by ROIM from a pool of applicants. This *2018 Statement of ROI*, created by CEC, constitutes an independent verification that the program efficiently and effectively used funds in 2018 to reach the lost with the gospel.

Medical Ambassadors International

LEGAL NAME

Medical Ambassadors International (MAI)

ADDRESS

5012 Salida Boulevard, P.O. Box 1302, Salida, CA 95368

TELEPHONE

888.403.0600

WEBSITE

www.medicalambassadors.org

SENIOR EXECUTIVE

Ravi I. Jayakaran, CEO & president

EMAIL

ravi@med-amb.org

MISSION

“Medical Ambassadors International equips communities through Christ-centered health and development.”

GEOGRAPHIC FOCUS

40 countries directly, plus 35 through partnerships

STRATEGY

To equip communities, MAI develops Christ-centered community health curriculum, provides instruction, and trains instructors.

STATEMENT OF FAITH

1 Yes, consistent with historic Christian creeds

LAUSANNE COVENANT

2 Yes, subscribes to the Covenant

LEADERSHIP FAITH COMMITMENT

3 Leadership manifests a personal commitment to Jesus and is actively involved in a church.

BOARD

4 Nine members

INDEPENDENCE

5 The president serves on the board; the remaining eight are independent.

BOARD DONORS

All nine contributed in 2018.

MEETING FREQUENCY

6 Six times a year; three in person and three by phone

NUMBER OF PAID STAFF

231 (27 in the U.S. and 204 internationally)

SENIOR EXECUTIVE



Ravi I. Jayakaran has held senior management positions in the corporate sector and in international NGOs, including World Vision

International, the Asian Development Bank, and the United Nations Development Program. He has lived and worked in India, Cambodia, China, and the U.S.

AUDITED FINANCIAL STATEMENTS

7 Yes, by Capin Crouse LLP

TRANSPARENCY

8 10 Yes, financial statements are made available to the board on a regular schedule and to the public upon request.

ACCOUNTING CONTROLS

9 Yes, internal accounting controls have been implemented.

RESPONSIVENESS

11 Acceptable; responded to questions with no significant delay or gaps

501 (C) (3)

12 August 1980

DONATION DEDUCTIBILITY

Yes, U.S.

LATEST FORM 990 FILING

2017. 2018 in process, due for submission in October 2019

FOUNDED

13 1980, by Raymond Benson, M.D.

LEGAL RELATIONSHIP TO OTHER ENTITIES

None

PROGRAM COMPONENTS

✓ COMMUNITY HEALTH

EVANGELISM—Drawing on more than 5,000 lesson plans, trained workers give instruction in holistic development, and train others.

✓ COMMUNITY DEVELOPMENT

EDUCATION (CDE)—Like CHE, but modified for use in sensitive contexts. CDE lessons include teaching on moral and godly values, without naming Christ.



Women in East Africa participating in a CHE training session

✓ SPECIALIZED TRAININGS— MAI

covers topics such as Women’s Cycle of Life, Men Matter, Children’s CHE, and Birth Life-Saving Skills.

STATEMENT OF FINANCIAL POSITION, 12/31/2018

Assets	\$1,772,071
Liabilities	\$241,576
Net assets	\$1,530,495
Portion restricted	\$772,892

Source: Audited financial statements. A Statement of Financial Position is the balance sheet of a nonprofit organization.

STATEMENT OF ACTIVITIES, 1/1/18 – 12/31/2018

Revenue	\$2,576,639
Expenses	\$2,932,534
Net income	(\$355,895)

Source: Audited financial statements. A Statement of Activities is the income statement or profit & loss statement of a nonprofit organization.

MINISTRY UNIQUENESS

MAI offers its curriculum to partner ministries, thus greatly expanding holistic transformation.

Community Health Evangelism

PROGRAM PURPOSE

MAI is a single-program ministry; therefore, the program purpose is the same as the organization's purpose, to equip communities through Christ-centered holistic health and development.

PROGRAM STRATEGY

CHE provides instruction in community health practices, together with the gospel, mainly through home visits.



Maasai woman displays model of a 14-week fetus as part of the Birth Life-Saving class

Curriculum is released to those who have completed certain preparatory courses. Staff provide partners with ongoing training and mentoring. CHE topics include safe water, sanitation, fuel-efficient stoves, micro business, savings groups, vegetable cultivation, evangelism, and more. Instructors teach learners who then become instructors, thus developing a large network of volunteers.

PROGRAM DESCRIPTION

CHE is designed to:

- ✓ **Empower people to do things for themselves**, to free them from a debilitating welfare mentality.
- ✓ **Reach the whole person**, addressing both spiritual and physical needs.
- ✓ **Equip leaders** to identify their community's assets and address multiple needs.
- ✓ **Build community ownership** by teaching people how to identify problems and find ways to solve them, using locally-available resources.

RATIONALE FOR THE STRATEGY

MAI wants Jesus to be recognized as Lord over all of creation. Trainers work for transformed beliefs and changed behavior, so God's peace, justice, compassion and righteousness are reflected in the communities served. This goes beyond breaking the cycle of poverty or planting churches, though these also occurs.

CURRENT STATUS

MAI is a mature organization with nearly 40 years of experience. It is now expanding, especially among unengaged and unreached people groups in the eight global regions where it works. In 2018 MAI expanded its reach to an additional 40 communities.

PROGRAM IMPACT

MAI recognizes that the spiritual impact of its work differs greatly by context. Thus this typology:

- ✓ **The "empty" field**, where MAI ministers mainly through deed. Typically, about 3% of the people become followers of Christ in a 7-9-year period.
- ✓ **The "seeded" field**, where the typical response to the gospel is about 7%, for the same time period.
- ✓ **The "growing" field**, where there is greater freedom to declare the gospel. About 10% of the community comes to faith within four years.
- ✓ **The "ready for harvest" field**, where typically, in four years, about 16% of the people have come to faith. In the above fields 100% of the community have learned about CHE, about 33% are in households practicing CHE principles, and about 50% of those in CHE households have become disciples of Christ.

OUTPUTS

14 MAI generated the following outputs for the program in 2018:

- ✓ Deployed 198 international staff members to train CHE volunteers in villages, who train others.
- ✓ Influenced lives in 2,540 communities in 75 countries.
- ✓ Developed a community of 50,200 CHE volunteers associated with MAI, to continue the replication of holistic disciples.

PRIMARY OUTCOME

15 The return generated by this program is expressed in terms of the number of people who receive CHE community health instruction. These are people who are taught practical lessons designed to prevent disease, enhance health, and promote holistic well-being; they also hear the gospel. The ROI calculation on the following page refers to this outcome.

SECONDARY OUTCOMES

15 Research has shown CHE results in reduced under-five mortality rates, increased nutrition, reduced incidence of disease, and more. From incidental reports, MAI knows that CHE results in people coming to Christian faith and joining churches or informal house fellowships, which it is presently unable to quantify.

EXPENSE TRACKING

16 MAI tracks costs associated with program outputs and outcomes.

DONOR REPORTING FREQUENCY

17 MAI sends monthly letters and emails; an annual report is provided online to all who request it.

DONOR ACCESS

18 Yes

Return on Investment Calculation

OUTCOME ACHIEVED

In 2018, MAI's program, Community Health Evangelism (CHE), resulted in an estimated 2,540,000 people "receiving CHE community health instruction." This is defined as people who are instructed through a series of lessons (usually weekly) in one or more community health topics from CHE curriculum, taught by CHE staff or trained volunteers. They are presented with development knowledge as well as with the gospel, except in certain places where it is inadvisable due to security considerations.

Outcome: People Instructed

2,540,000

DATA COLLECTION METHOD

MAI monitors the number of villages and communities where it works directly and where its partners work. For 2018, the number was estimated as 2,540 villages or communities. Statistics are provided to headquarters from MAI's network of regional coordinators who oversee ministry in eight global regions, and who each oversee 6-18 area coordinators. Based on field experience and observation, MAI estimates an average of 1,000 people receive instruction per site.

COST OF ACHIEVING THE OUTCOME

The cost to achieve this outcome was \$2,932,534. Because MAI operates only one program, the program cost is the same as the overall ministry expenses for the year. It is broken down into approximately 73% program expenses, 11% fundraising expenses, and 16% management and general expenses.

Program Cost

\$2,932,534

COST PER OUTCOME

Therefore, the cost per outcome is:

$$\mathbf{\$2,932,534 \text{ program cost} \div 2,540,000 \text{ people instructed} =}$$

Cost Per Outcome

\$1.15 per person instructed

The cost per outcome CEC calculated in 2017 was \$1.13.

RETURN ON INVESTMENT

The return on investment of a \$1,000 investment by a donor would be:

$$\mathbf{\$1,000 \text{ investment} \div \$1.15 \text{ cost per person instructed} =}$$

Return on \$1,000 Investment

870 people instructed

APPENDIX A

ROI Ministry Standards

ROI Ministry has established 18 standards—13 for the organization and 5 for the program on which “return on investment” is calculated—that it expects its “Top 10” ministries to meet. These standards are strongly recommended, though ROIM recognizes that circumstances may exist where variations are warranted. The organization’s compliance to these standards is shown on pages 2 and 3, by numbered, colored symbols.

STANDARDS FOR THE ORGANIZATION

CHRISTIAN

1. The organization has a statement of faith consistent with historic Christian creeds.
2. The organization subscribes to The Lausanne Covenant of 1974.
3. The organization’s leadership manifests a personal commitment to Jesus Christ and is actively involved in a local church congregation.

GOVERNANCE

4. The organization has an active board of directors with at least five members.
5. The board has no more than two non-independent members, and it has at least four independent members for every one non-independent member. An independent member is one who is not an employee or contractor, has no familial relation to any employee, and has no familial relation to another board member.
6. The board meets at least two times per year and at least one of those meetings is in-person.

FINANCIAL

7. The organization prepares financial statements according to GAAP and complies with FASB standards.
8. Financial statements are provided to the board on a regular schedule.
9. The organization has implemented internal accounting controls to prevent and detect fraud and financial misstatements, including:
 - a. Opening mail and receiving checks, preparation of bank deposits, and recording accounting entries are separated duties performed by different persons or by two persons who monitor each other’s work.
 - b. Financial statements are prepared according to GAAP and any exceptions are noted.
 - c. Financial statements are prepared by an accountant without undue influence from management.

TRANSPARENCY

10. The organization makes its financial statements or Form 990 available to the public.
11. The organization responds appropriately to external requests for information.

LEGAL

12. The organization has 501(c)(3) tax-exempt status with the IRS.
13. The organization has existed in its current form for at least three years.

STANDARDS FOR THE PROGRAM

PROGRAM EFFECTIVENESS

14. Outputs for the program are measured and reported to its donors.
15. At least one primary outcome for the program is identified, and possibly some secondary outcomes, and efforts are made to measure or estimate these.
16. Costs associated with program outputs and outcomes are tracked.

REPORTING & ACCESS

17. The organization reports to its donors on the program’s progress and performance at least semi-annually.
18. The organization provides donors access to the program’s operations.

ROI Ministry used the professional services of Calvin Edwards & Company to develop these standards. Ver. 1.2, May 2018

APPENDIX B

Principles for Calculating Return on Investment

There is not a well-established, standard method to calculate ROI for nonprofit organizations. When doing so, many issues arise, largely related to calculating the cost of generating outcomes. Calvin Edwards & Company used the principles below in the calculation presented.

1. ROI is calculated on a discrete program of a ministry. In some cases, a program may involve the whole ministry—this is a “single-program ministry.”
2. The metric for the “return” is the primary outcome of the program.
3. A program may also have secondary outcomes or outputs.
4. The secondary outcomes or outputs are also reported numerically, if available. However, the program cost is not split among outcomes; that is, multiple ROI statistics are not calculated.
5. Program costs include all direct and indirect program costs, including non-cash costs such as depreciation of equipment used for the program, amortization of product development costs, etc.
6. Also, all appropriate overhead is included in the program cost:
 - a. Program overhead—sometimes a ministry tracks overhead attributable to a program; if so, it is included
 - b. Ministry overhead—a proportion of the ministry’s overhead that matches program costs as a proportion of total expenses (for a single-program ministry this is 100%)
7. In some rare cases, all overhead is pre-funded by the board or one or more specific donors. In this case, others’ investments do not fund overhead, and it is excluded from the program cost (see point 9 below).
8. All financial numbers are derived from the ministry’s financial statements; if estimates are used, those estimates are based on financial statements.
9. There may be times when the principles stated here cannot or should not be applied; in these cases, the *Statement of ROI* states the variation, reason, and alternate calculation employed.