



# 2019 Statement of ROI

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THE RETURN ON INVESTMENT CREATED BY **SERV 1 FEED 1**,  
A PROGRAM OF **SERV INTERNATIONAL**,  
FOR THE FISCAL YEAR ENDING DECEMBER 31, 2019

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:

**SERV International**

3145 Marietta Highway

Canton, GA 30114

July 2020





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**NOTICE**

*Version 1.0, July 2020. Copyright © 2020 ROI Ministry (ROIM) and Calvin Edwards & Company (CEC), a philanthropic advisory firm. For additional information, contact CEC at 770.395.9425 or [info@calvinedwards.com](mailto:info@calvinedwards.com). To learn more about ROIM and its “Top 10” ministry list, contact ROIM at 678.264.7587 or [timothycbarker@gmail.com](mailto:timothycbarker@gmail.com). This 2019 Statement of ROI was prepared using information and materials provided by SERV International (SERV), discussions with SERV personnel, and other sources. It may be distributed to support the program it describes but may not be used for any commercial purpose.*



## 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 2020, the list includes **SERV International** and its program, **SERV 1 Feed 1**.

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’.

In addition to considering kingdom “return,” ROIM has adopted 18 standards that “Top 10” ministries should meet. These are presented in Appendix A. How SERV International and its program align with these standards is indicated on the following pages with color-coded symbols. The Confidence Rating that appears on page 5 is an estimate of CEC’s confidence that the ROI calculation is reasonably accurate. It is based on (i) findings when the organization’s claims pertaining to compliance with standards were examined, and (ii) analysis of the quality of the data and explanations provided to perform the calculation.

SERV International completed the application process for its program, SERV 1 Feed 1, and it was selected by ROIM from a pool of applicants. This *2019 Statement of ROI*, created by CEC, constitutes an independent verification that the program efficiently and effectively used funds in 2019 to reach the lost with the gospel.



# SERV International

**LEGAL NAME**

SERV International (SERV)

**ADDRESS**

3145 Marietta Highway  
Canton, GA 30114

**TELEPHONE**

770.516.1108

**WEBSITE**

www.servone.org

**MISSION**

“SERV uses food as a platform to share the love of Christ.”

**GEOGRAPHIC FOCUS**

Remote villages in Kenya and South Sudan, the slums of Cambodia, and a country in Latin America.

**STRATEGY**

For a platform to share the love of Christ and to build relationships, SERV provides food and water in remote villages. It also operates an orphanage and offers pastor training in Kenya.

**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.

**NUMBER OF PAID STAFF**

SERV has three paid staff. It also has staff in Kenya and Cambodia.

**BOARD**

**4** Fourteen members

**INDEPENDENCE**

**5** Eleven members are independent

**BOARD DONORS**

All have contributed within the past 12 months.

**MEETING FREQUENCY**

**6** Quarterly

**SENIOR EXECUTIVE**

Steve Kasha is SERV’s founder and CEO. In addition, he is the president of Interdom Inc., an international



import/export company which is a corporate partner of SERV. Mr. Kasha graduated from Kennesaw State University with a BS in political science.

**EMAIL**

skasha@servone.org

**AUDITED FINANCIAL STATEMENTS**

**7** Yes, by Murphy CPA Group

**TRANSPARENCY**

**8 10** Yes, financial statements are made available to the board monthly and to the public upon request.

**ACCOUNTING CONTROLS**

**9** Yes, internal accounting controls have been implemented.

**RESPONSIVENESS**

**11** Fair, responded to questions with some delay.

**501 (c) (3)**

**12** May 2001

**DONATION DEDUCTIBILITY**

Yes, U.S.

**LATEST FORM 990 FILING**

2018

**FOUNDED**

**13** 2000

**LEGAL RELATIONSHIP TO OTHER ENTITIES**

None

**PROGRAMS**

- ✓ SERV 1 FEED 1**—SERV delivers nutrient-rich, dehydrated meals to the poor. This also provides a context for sharing the gospel.
- ✓ SAFE 2 SERV**—This initiative provides families with systems guaranteed to filter up to one

million gallons of fresh, clean, safe water. SERV also digs community wells where needed.



SERV personnel and volunteers handing out food in a Turkana village in Kenya.

**✓ HOUSE OF HOPE**—This 33-acre orphanage and school in the northwest corner of Kenya is home to 67 children. SERV organizes U.S. sponsorships for each child.

**✓ PASTOR TRAINING**—Nine Pastors from Kenyan villages are trained at House of Hope by the Kenyan SERV Staff to go out and further the work of the Kingdom of God.

**STATEMENT OF FINANCIAL POSITION, 12/31/19**

|             |           |
|-------------|-----------|
| Assets      | \$305,647 |
| Liabilities | \$21,298  |
| Net assets  | \$284,349 |

Source: Unaudited financial statement. A Statement of Financial Position is the balance sheet of a nonprofit organization. SERV is having its 2019 financials audited, however, this Statement was prepared prior to completion of the audit.

**STATEMENT OF ACTIVITIES, 1/1/19 – 12/31/19**

|            |             |
|------------|-------------|
| Revenue    | \$1,109,762 |
| Expenses   | \$1,209,293 |
| Net income | (\$99,531)  |

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

**MINISTRY UNIQUENESS**

SERV has developed ways to prepare and provide nutritious meals that keep purchase, transportation, and distribution costs low, thus allowing more people to be fed. At distribution, the gospel is shared.

## SERV 1 Feed 1

**PROGRAM PURPOSE**

To help people in poor, remote villages and urban slums come to know Jesus, using food distribution as a catalyst.

**PROGRAM STRATEGY**

SERV 1 Feed 1 enables SERV staff, pastors, and missionaries to build relationships with the poor through food distribution. People are brought together not only to receive food, but also for church services.

**PROGRAM DESCRIPTION**

SERV purchases the product through local markets and directly from farmers as crops are in season. Local pastors and missionaries sort, package, weigh, seal, and store the



*A mother and child receive SERV food at a village in Kenya.*

food. SERV distributes nutrient-rich, dehydrated meals (a blend of vegetables, soy protein, and vitamin mix) to persons living in famine and drought. Distribution is done during a church service led by a SERV pastor, staff person, or missionary; each person that attends (mostly women and children) receives one or two bags of food, each of which provides 50 meals.

In Kenya, SERV provides food in eight villages (Lolupe, Kakaring,

Noawtin, Nabuskuul, Lodwar town, Posta town, Tiya, and Lolemgete). Outside of these villages, SERV provides food to two orphanages (Royal Kids Academy and The Jewels of Obaga) and to another orphanage outside of Nairobi (Good Samaritan Children's Home). SERV has provided food in the slums of Phnom Penh and Battambang in Cambodia. Distribution sites are chosen where the people are in desperate need, where there is little access to food, and where there are no churches or pastors. Food deliveries are made on a monthly basis to the selected locations.

**RATIONALE FOR THE STRATEGY**

SERV uses food delivery to provide an opportunity to share the gospel. It gathers people via food distribution and then presents the gospel in a church service and through ongoing relationships. SERV partners with, and works alongside, Africans, believing that all that is needed to solve food insecurity is available locally.

**CURRENT STATUS**

The program is mature and as of 2019 SERV had implemented a system for SERV pastors and health wellness officers to track the number of decisions for Christ and physical wellness of those served. In 2020, SERV aims to raise over \$300,000<sup>1</sup> for the SERV 1 Feed 1 program and provide up to four million meals.

**PROGRAM IMPACT**

Since 2007, SERV has distributed more than 20 million meals to people in Africa, Asia, and Latin America. This has resulted in widespread improvements in health and reduction of deaths. It has also created strong bonds between churches and their communities, and expansion of church activities and outreach.

**OUTPUTS**

**14** The program generated the following outputs in FY 2019. 2.8 million meals provided were distributed in three regions:

- ✓ Africa: 2,607,200
- ✓ Latin America: 100,000
- ✓ Asia: 92,800

The program also delivered:

- ✓ 769 medical check-ups by health wellness officers and their teams

**PRIMARY OUTCOME**

**15** The outcome generated by this program is expressed in terms of meals provided to malnourished people. The ROI calculation on the following page refers to this outcome.

**SECONDARY OUTCOMES**

**15** Also, the program generates the following secondary outcomes:

- ✓ **DECISIONS FOR CHRIST.** These are indicated to, and counted by, local Christian workers.
- ✓ **CHILDREN ATTEND SCHOOL.** Many poor children spend so much time helping their families to acquire food that they are unable to attend school. The provision of food by SERV makes this outcome possible.

The metrics associated with these outcomes are reported below the ROI calculation on the following page.

**EXPENSE TRACKING**

**16** SERV tracks costs associated with outputs and outcomes.

**DONOR REPORTING FREQUENCY**

**17** Monthly

**DONOR ACCESS**

**18** Yes

<sup>1</sup> Direct program expenses for this program; for 2019 the amount was \$153,851.



## Return on Investment Calculation

### OUTCOME ACHIEVED

In 2019, SERV's program, SERV 1 Feed 1, resulted in 2,800,000 meals provided to malnourished people. A meal is defined as one eight-ounce serving of nutrient-rich, dehydrated food.

| Outcome                         |
|---------------------------------|
| <b>2,800,000</b> meals provided |

### DATA COLLECTION METHOD

SERV maintains statistics on the number of meals purchased. All meals purchased are distributed to the poor.

### COST OF ACHIEVING THE OUTCOME

The cost to achieve this outcome was \$316,767. SERV International's total expenses in FY 2019 for their global ministries were \$587,463. According to SERV, the direct expenses for this program, SERV 1 Feed 1, were \$153,851. SERV 1 Feed 1 represents 26.2% of the organization's program expenses; the balance is for their water provision, orphanage, and pastor training programs.

Added to this figure of \$153,851 is 26.2% of FCBH's organizational fundraising costs (\$7,567 X 26.2% = \$1,982) and its management and general costs (\$614,254 X 26.2% = \$160,934), to calculate the total cost of \$316,767.

| Program Cost     |
|------------------|
| <b>\$316,767</b> |

### COST PER OUTCOME

Therefore, the cost per outcome is:

$$\mathbf{\$316,767 \text{ program cost} \div 2,800,000 \text{ meals provided} =}$$

SERV's cost for this outcome was \$0.05 in 2018; \$0.09 in 2017, \$0.07 in 2016, \$0.13 in 2015, and \$0.08 in 2014.

| Cost Per Outcome                |
|---------------------------------|
| <b>\$0.11</b> per meal provided |

### RETURN ON INVESTMENT

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

$$\mathbf{\$1,000 \text{ investment} \div \$0.11^2 \text{ cost per meal provided} =}$$

### SECONDARY OUTCOMES

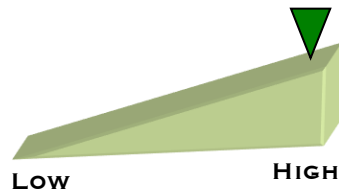
In addition, the program had the following secondary outcomes:

**8,079 decisions for Christ**  
**4,200 children attended school more regularly<sup>3</sup>**

| Return on \$1,000 Investment |
|------------------------------|
| <b>8,842</b> meals provided  |

### CONFIDENCE RATING

CEC's estimated confidence that the ROI calculation is reasonably accurate is:



<sup>2</sup> The exact number used for this calculation was 0.1131.

<sup>3</sup> SERV is new to monitoring this outcome and recognizes this number as partial and preliminary.



## 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. Reporting any variations from GAAP reporting requirements within financial statements.
  - c. Having financial statements 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. 1.4, May 2020.*



## 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.