



# 2021 Statement of ROI

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THE RETURN ON INVESTMENT FROM **HEART FOR AFRICA HUNGER INITIATIVE**, A PROGRAM OF **HEART FOR AFRICA**,  
FOR THE YEAR ENDING DECEMBER 31, 2021

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:

**Heart for Africa**

P.O. Box 1308

Roswell, GA 30077

October 2022

**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 2022, the list includes **Heart for Africa** and its program, **Heart for Africa Hunger Initiative**.

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 Heart for Africa and its program align with these standards is indicated on the following pages with color-coded symbols. The Confidence Rating that appears on page 4 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.

Heart for Africa completed the application process for its program, Heart for Africa Hunger Initiative, and it was selected by ROIM from a pool of applicants. This *2021 Statement of ROI*, created by CEC, constitutes an independent verification that the program efficiently and effectively used funds in 2021 to reach the lost with the gospel.



# Heart for Africa

**LEGAL NAME**

Heart for Africa, Inc.

**ADDRESS**

P.O Box 1308  
Roswell, GA 30077

**TELEPHONE**

678.566.1589

**WEBSITE**

www.heartforafrica.org

**MISSION**

“Heart for Africa shares HOPE in Eswatini by fighting Hunger, caring for Orphans, decreasing Poverty, and providing Education.”

**GEOGRAPHIC FOCUS**

Eswatini, Africa

**STRATEGY**

To fight hunger, care for orphans, decrease poverty, and provide education, HFA operates a campus with an orphanage, school, vocational training, and small businesses, and an off-campus feeding program in conjunction with churches.

**STATEMENT OF FAITH**

1 Yes, consistent with historic Christian creeds.

**LAUSANNE COVENANT**

2 Yes, subscribes to the Covenant

**LEADERSHIP FAITH COMMITMENT**

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

**NUMBER OF PAID STAFF**

HFA has 11 paid staff in the U.S. and 400+ in Eswatini.

**BOARD**

4 HFA has 18 board members

**INDEPENDENCE**

5 16 board members are independent

**BOARD DONORS**

All board members have contributed in the past year, 13 are monthly donors.

**MEETING FREQUENCY**

6 Quarterly

**SENIOR EXECUTIVE**



Ian (CEO) and Janine (COO) Maxwell are co-founders of HFA. Ian is the former vice president of operations for

Onyx Marketing Group, a company that Janine founded. They left the company to start HFA in 2005.

**EMAIL**

ian@heartforafrica.org  
janine@heartforafrica.org

**AUDITED FINANCIAL STATEMENTS**

7 Yes, Elliott Davis, LLC/PLLC audits HFA’s financials.

**TRANSPARENCY**

8 10 Yes, financial statements are posted on the website and the board receives an update quarterly.

**ACCOUNTING CONTROLS**

9 Yes, internal accounting controls have been implemented.

**RESPONSIVENESS**

11 Poor; HFA did not respond to requests in a timely manner. It cited extraordinary personnel challenges in 2021. It received a “very good” rating in its 2020 report.

**501(C)(3)**

12 HFA received 501(c)(3) status in May 2007

**DONATION DEDUCTIBILITY**

Yes, U.S. and Canada

**LATEST FORM 990 FILING**

2019

**FOUNDED**

13 2005

**LEGAL RELATIONSHIP TO OTHER ENTITIES**

None

**PROGRAMS**

✓ **HUNGER:** A comprehensive feeding program through HFA’s network of 30 church partners throughout Eswatini.

✓ **ORPHANS:** Rescue and care for orphans by providing a safe, loving home until they reach adulthood.

✓ **POVERTY:** Project Canaan is the largest employer in the surrounding communities, employing 400+ people who each provide for an average of 7 people at home.



A child receiving a manna pack through HFA’s Hunger Initiative

✓ **EDUCATION:** Equipping children and adults for success through academic and vocational training programs.

**STATEMENT OF FINANCIAL POSITION, 12/31/21**

Assets	\$7,911,361
Liabilities	\$208,386
Net assets	\$7,702,975

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

**STATEMENT OF ACTIVITIES, 1/1/21 – 12/31/21**

Revenue	\$5,323,274
Expenses	\$4,163,954
Currency Adj.	(\$525,188)
Net income	\$634,132

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

**MINISTRY UNIQUENESS**

Unlike community development programs, HFA has created an extensive campus that serves the needs of orphans. By seeking to be self-sustaining, it creates employment for people from neighboring areas.

# Heart for Africa Hunger Initiative

## PROGRAM PURPOSE

To eradicate malnutrition among vulnerable children in Eswatini.

## PROGRAM STRATEGY

In order to eradicate malnutrition among vulnerable children in Eswatini, HFA has developed partnerships with churches throughout Eswatini to provide daily nutritious meals. HFA establishes a feeding program at each partner church who then takes on the hiring and training employees or volunteers that prepare and cook the food for the children. HFA has also leveraged partnerships with food suppliers to source the majority of the food that is prepared so that HFA can focus most of its resources on distribution.

## PROGRAM DESCRIPTION

HFA identifies communities with malnourished children and selects churches with which to partner that have good reputations in their community.

When a church becomes a partner, HFA first builds a cooking structure, and provides a water tank, cooking pots, new serving bowls and spoons, a garden and fence



Older children who have been at Project Canaan wear paper chef hats and serve food to other children.

poles, and tools for gardening. The church then hires and trains two local employees or volunteers (women from the community) to cook and serve the food. HFA has leveraged a partnership with two organizations, Feed My Starving Children and Gleanings for the Hungry to provide the raw foodstuffs for the program, and then supplements that with fresh food from an HFA-owned farm in Eswatini (Project Canaan). The Hunger Initiative also provides a connection point to HFA's

other programs. The act of serving food can provide an opportunity to share the gospel message with children. Church pastors and leaders are present and have regular check-ins with children. This consistent contact allows HFA to see problems past malnutrition more quickly and respond to the needs the children may have through its church partners.

## RATIONALE FOR THE STRATEGY

HFA's church partners are established and trusted entities in the communities they serve, so working with them is the most reliable way to get nourishment to children in hard-to-reach areas. Utilizing the churches to find and train two women at each location allows the churches to have

ownership over the program while also ensuring the quality of nutrition that is provided to children. Leveraging partnerships with food-providing nonprofits allows HFA to keep its food costs low.

## CURRENT STATUS

This project is mature and will continue to be implemented in 30 rural communities across the country. HFA has observed that the number of children that face malnutrition in the communities is growing. So, while the number of communities may not change, HFA expect the number of children served to increase in the future. The COVID-19 pandemic made the feeding program even more essential as many schools faced a nationwide closure order which eliminated the only meal many children received. In 2021, 4,500 children attended HFA feeding centers 5–7 days per week to receive a meal. HFA employed the cooks at each church until 2021. Now, each church is responsible for the hiring and training of the cooks—some of whom are volunteers and some whom are paid by the church. HFA believes this shift will increase local ownership of the of the program's success. One of the 30 churches struggled to find staffing for the initiative.

## PROGRAM IMPACT

The primary impact of the Hunger Initiative is that vulnerable children are no longer malnourished. This reality affects many aspects of their lives, especially increased school attendance and reduction in illness. The combination of HFA's other programs and its partner churches programs combine with the Hunger Initiative to provide a more holistic solution to help the children it serves.

## OUTPUTS

**14** The program generated the following outputs in 2021:

- ✓ 1.4 million meals were provided to vulnerable children

## PRIMARY OUTCOME

**15** The outcome generated by this program is expressed in terms of **meals provided to malnourished children.**

## SECONDARY OUTCOME

**15** Heart for Africa does not track secondary outcomes but it has observed additional impact for those it serves such as reduced sickness and school attendance from improved nutrition.

## EXPENSE TRACKING

**16** HFA tracks the costs associated with program outputs and outcomes.

## DONOR REPORTING FREQUENCY

**17** Quarterly or upon request

## DONOR ACCESS

**18** Yes

## Return on Investment Calculation

### OUTCOME ACHIEVED

In 2021, HFA’s program—Heart for Africa Hunger Initiative—resulted in approximately 1,400,000 meals being provided to malnourished children. A meal is defined as one eight-ounce serving of nutrient-filled food. This outcome is achieved by leveraging partnerships with other nonprofits that provide much of the food that is prepared and served by HFA.

Outcome	
<b>1,400,000</b>	meals for vulnerable children

### DATA COLLECTION METHOD

HFA’s Hunger Initiative project manager who is based in-country at Project Canaan is responsible for the reports of meals served at each location. All meals that are delivered are tracked in a spreadsheet. The project manager also tracks how long the delivery of meals should last based on the number of children eating at each church. HFA has indicated that it believes that this spreadsheet is very accurate (though perhaps not perfect). For 2021, it shared that it shipped out the same number of meals as in 2020, resulting in an identical outcome number.

### COST OF ACHIEVING THE OUTCOME

The cost to achieve this outcome was \$395,355. This covers most of the cash expenses associated with the program—with some small expenses and worker salaries paid by partner churches. These expenses are leveraged by food provided by Feed My Starving Children and Gleanings for the Hungry valued at \$519,851. HFA’s program expenses include: shipping costs for donated food, staff and food costs from Project Canaan, staff costs for the U.S.-based coordinator, and transportation of bi-monthly food deliveries to 30 churches. HFA does not track overhead costs on the program level, therefore the Hunger Initiative’s share of overhead is calculated as a percentage of HFA’s overhead. The Hunger Initiative program expenses comprised approximately 9.5% of the HFA total program expenses. In 2021, HFA incurred \$454,162 in management and general expenses and \$231,297 in fundraising expenses. The Hunger Initiative’s portion of each is estimated to be \$43,121 & \$21,961, respectively. If the cost of the workers at each site or the cost of the food provided by the leveraged partnerships was included, the cost per meal would be higher.

Cost	
<b>\$395,355</b>	

### COST PER OUTCOME

Therefore, HFA’s cost per outcome is:

$$\mathbf{\$395,355 \text{ program cost}^1 \div 1,400,000 \text{ meals for malnourished children} =}$$

CEC calculated GMO’s cost per outcome for prior years: 2020, \$0.30

Cost Per Outcome	
<b>\$0.28</b>	per meal for a vulnerable child

### RETURN ON INVESTMENT

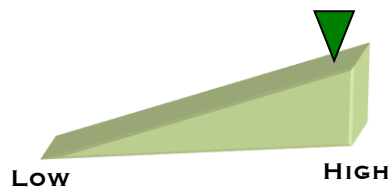
The return on investment of a \$1,000 investment by a donor would be:

$$\mathbf{\$1,000 \text{ investment} \div \$0.28^2 \text{ cost per meal for a vulnerable child} =}$$

Return on \$1,000 Investment	
<b>3,541</b>	meals for vulnerable children

### CONFIDENCE RATING

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



<sup>1</sup> HFA’s partners contributed food valued at \$519,851 in 2021. It is unknown how much cooks are being paid since HFA handed off their management to the local churches. If the cooks were paid at the same rate as 2020 and the cost of the food were included, the cost per outcome would be \$0.74.

<sup>2</sup> The exact number used for this calculation was \$0.2824.





## 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.*



## 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.