

**HOPE**  
worldwide

April 15, 2003

A confidential memo to disciples of the International Churches of Christ:

*All they asked was that we should continue to remember the poor,  
the very thing I was eager to do." Galatians 2:10*

At a time of dramatic transformation in the churches, HOPE worldwide would like to share with you about major changes that are taking place in the organization you've helped to build. **The future direction of HOPE worldwide will be greatly influenced by your response to this memo.** In response to the changing conditions in the churches, we are striving to be flexible and sensitive while remaining committed to the words of Paul to "continue to remember the poor."

### An Apology

In my discussions with church leaders in recent weeks, I've learned that from a financial perspective, the corporate operation of HOPE worldwide is a mystery. They tell me that they have no idea how their money is being used and that, in the absence of feedback, it is becoming increasingly difficult to justify continued support.

We take full responsibility for this problem. We have always been accountable to our Board and more than fully compliant with outside audits as well as to the regulatory authorities. (Our Form 990 is posted on our website.) However, we realize that, despite being our most important and committed donor, the churches have not felt the same transparency and accountability towards them. I deeply apologize for having taken you and your tremendous sacrifices for granted and want to communicate that HOPE worldwide is committed to changing our relationship with you.

### Brief Review

Historically, HOPE worldwide has been blessed to receive consistent financial support from the first world churches of the ICOC. As many of you are aware, this support has been in the form of a percentage - planned at 3.7% in 2003 - of the weekly contributions of these churches. During the past decade, this stable financial base has allowed the scope of HOPE worldwide's activities to encompass literally the entire globe, an accomplishment recognized as remarkably outstanding by the United Nations, U.S. government organizations, various international leaders and other major charitable organizations.

At the same time, because much of this base funding covered essential managerial and administrative expenses at the HOPE worldwide Corporate office, in 2002 we were able to leverage each dollar eight times through a variety of sources, including non-ICOC private, corporate, and government grants and donations. In other words, every dollar contributed by disciples to HOPE worldwide has resulted in \$8 of aid and support given to the poor and needy around the world!

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HOPE worldwide is a 501(c)(3) faith-based charity, is registered with the U.S. Agency for International Development and has been granted special consultative status with the Economic and Social Council of the United Nations.

Headquarters

### **Major Changes**

Despite God's obvious blessings, we recognize that it is time for major changes to take place at HOPE *worldwide*. Recently, our new Board of Directors met in Philadelphia and made three decisions that we would like to communicate to you.

#### **1. Reorganization of HOPE *worldwide***

Since the organizational structure of the ICOC has changed, and in view of needed cost savings, our Board decided that the position of Geographic HOPE Leader (GHL) should be eliminated. We will not fill vacancies in these positions and will discuss with each GHL the best course for the future.

#### **2. Immediate cost reductions**

By reducing our staff through the elimination of management positions, planned attrition, and cancellation of planned staff additions, we have been able to cut our original 2003 budget by nearly \$500,000. These reductions leave only what we consider to be a "bare bones" operation, primarily focused on the absolutely essential legal and accounting operations, with some government and multinational fund-raising capability. The legal and accounting functions cover the activities of HOPE *worldwide* subsidiaries and affiliates throughout the United States and internationally. This oversight of our legal and accounting activities has protected us countless times from legal infractions and allows us to responsibly administer the larger grants we have received from non-ICOC sources.

Additionally, we have decided to eliminate other Hww-related costs imposed on the churches. For example, beginning next year we will make the HOPE Youth Corps (HYC) an entirely voluntary and fully self-funded activity.

#### **3. Elimination of the weekly percentage subsidy**

We realize that the weekly contribution percent approach has been increasingly viewed as a management tax by many of the churches. Again, we apologize for any feelings of insensitivity or ingratitude this system may have conveyed to you or your church. We desperately desire to move away from this type of support to a simple free-will offering as soon as possible while remaining responsible to the enormous trust placed in us by millions of the poorest and most needy people in the world.

#### **New Plan For A New HOPE *worldwide***

We believe that because of the amazing contacts God has blessed us with over the past decade, it will be possible eventually to completely finance HOPE *worldwide*'s operations through non-ICOC sources and simple free-will offerings by individual disciples and churches. This goal is not simply a dream... we are close to its realization! However, during this crucial transition period, we are still dependent upon the generosity and commitment of the churches in order to remain responsible to the commitments we currently have. Diligent fulfillment of these commitments is a major part of obtaining future funding.

We wish to appeal to your church or family of churches to enter into a new agreement to support HOPE *worldwide* from now through the end of 2004 at the level of \$1 per member per week. One dollar per week results in \$8 of care provided to the poor and needy!

This commitment from the churches will provide stability as we transition to a new HOPE *worldwide*, an international charity with a reputation for excellence:

- managed by disciples according to the standards and values of Christ
- providing volunteer opportunities for disciples locally or internationally
- exposing millions of people to Christian compassion

At the same time, the new HOPE *worldwide* will be independent of any obligatory financial support by the churches. Again, the only contribution we will seek from disciples will be in the form of free-will offerings.

#### **A Team Approach**

Another goal set by our Directors is to improve our teamwork with your local HOPE *worldwide* programs. We want to improve the flow of communication in order to become a better resource for information and advice. Additionally, through the efforts of David Chaney, our Director of Government Relations, we are better positioned than ever to help you obtain government funding for your local programs. David sits on a 'blue ribbon' White House Advisory Committee that develops support strategies for the President's Faith-based Initiative. He is well positioned to facilitate funding. Any appeal we may make to your local congregation will be in coordination and cooperation with your local HOPE *worldwide* leadership.

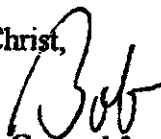
#### **Can We Meet?**

Obviously, the amount of information that can be communicated by memo is severely limited. I would like to offer to speak directly with your church leadership group, board, and/or your church about our work and the importance of your support. I am prepared to visit your city and make a detailed presentation about how your church's funds are being used at HOPE *worldwide* and the impact upon the poor and needy. I can then answer questions and clarify any issues during a discussion time. Can we talk in the next few days about this opportunity to visit? Our cell phone number is 484-557-9320.

In advance of such a visit, I can provide you with a power point presentation, complete with a detailed script, which I believe answers many of the questions people have. In addition, you can consult our web site ([www.hopeww.org](http://www.hopeww.org)) for more information about our programs, FAQs, Annual Report, and Form 990s.

During this period of dramatic and sometimes challenging transition, we pray that God will bless your church with guidance, mutual love and peace both now and in the days to come. We also pray that you will continue to partner with us to help the poor and needy around the world.

In Christ,



Bob Gempel for the HOPE *worldwide* team

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