

CHARITY EVALUATION

Evaluation of Kars4Kids

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An assessment of financial health, leadership, communication, and impact, based on Form 990 filings, audited financial statements, and a review of the organization’s operations.

ABOUT THE EVALUATOR



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[Doug White](#) is a nonprofit advisor, author and educator who has advised hundreds of charities on ethics, governance and fundraising since 1979. He is the former director of Columbia University’s Master of Science in Fundraising Management program and the author of five books, including *Wounded Charity* and *Abusing Donor Intent*. He has spoken at more than 850 philanthropy conferences and has testified before Congress on charitable giving.

RATING SCALE

Excellent · Good · Fair · Poor

CATEGORIES

Financial Health · Leadership · Communication · Impact

SUMMARY OF FINDINGS

Overall ratings

CATEGORY	RATING	POOR → EXCELLENT
1. Financial Health	Good	
2. Leadership	Good	
3. Communication	Good	
4. Impact	Excellent	

Each category is rated on a four-point scale: Excellent, Good, Fair, or Poor.

Categories for evaluation

1. Financial Health

Program Expenses · Fundraising Efficiency · Audit Report · Expense Reporting · Budget Plan

2. Leadership

Board Oversight · Board Size · Board Meetings · Board Compensation · Conflict of Interest · Senior Staff

3. Communication

Materials · Annual Report · Complaints · Transparency

4. Impact

Effectiveness

INTRODUCTION

A note to the Kars4Kids public

As part of my research for the book *Wounded Charity*, published in 2019, I outlined suggestions to provide the public better and more relevant information about charities than could then (and, unfortunately, still can) be found on charity evaluator sites.

The main problem with those sites, specifically Charity Navigator, CharityWatch, and the Better Business Bureau Wise Giving Alliance, is that they put too much emphasis on the financial information reported on a charity's 990. As with any business, a charity needs to care for and report on its finances, including, for charities, the amount spent on programs, overhead, and fundraising. But, although that's the way the IRS breaks it down for the report charities are required to submit annually (Form 990), it's not fully reflective of a charity's financial health or potential.

That's not entirely the fault of the evaluators. They work with what few resources they have: what they can access quickly, easily, and inexpensively. This means they rely on the information reported on the 990, and, in some cases, information provided by the charity. Although self-reporting is a growing factor, evaluators still place the most weight on the data contained in the 990. The convenience of doing an evaluation that way, however, does not permit reporting out much of what the public might want to know.

For example, efficiency is a laudable goal of any organization, and people who support a charity are interested in knowing whether it is spending its money wisely. But efficiency (the process of achieving maximum productivity with minimum wasted effort or expense, and therefore, at least on its face, a good thing) is, unfortunately, in the nonprofit world as well as the for-profit world, a slippery term. No one wants to waste money, but what some might see as waste, others might see as an investment. On the 990, spending on support staff and infrastructure is separated out from program expenses. Some have taken this separation as a guide to identifying waste at a charity; put simply: program costs are good, and infrastructure and fundraising costs are bad. This view is far too simplistic, as well as misleading. A more useful way to look at it is that both infrastructure and staff make programs possible, and so should not be considered any less important to a charity's mission than direct program activity. Thus, many conclusions in an evaluation that might be viewed as objective are actually subjective.

Form 990, created by the Revenue Act of 1943, permits the IRS to determine if a charity is generating and spending its money in a way that adheres to nonprofit law. That's all. It was never intended to be an evaluative tool, at least not in the way today's evaluators go about their business. This is not to say that the public is not entitled to a fair summary of a charity's expenses; they most certainly are. It's just that the 990 is the wrong tool, or at least a woefully insufficient tool, for the job.

As a result, while this evaluation properly takes into account the finances at Kars4Kids, it does not determine an arbitrary appropriate level for any one category. The focus here is on its financial health, leadership, communication, and impact.

This report reflects my findings after my own comprehensive analysis of all of the activities at Kars4Kids. It consists of four categories: Financial Health, Leadership, Communication, and Impact. Below is my considered opinion of the strength of each.

This evaluation is not static, and will be updated to reflect changes as they happen. Even the broad categories will be examined from time to time to reflect the growing needs of the public to understand Kars4Kids.



Doug White

SECTION 1

Financial Health

RATING **Good** 

1.1 Program Expenses

As a car-donation charity that does not hire outside resources to manage the process, Kars4Kids necessarily incurs a layer of costs not experienced at most other charities.

Percent of budget spent on programming (using 990 data for those categories):

In 2025	44%
High (2006)	81%
Low (2025)	44%
Average (2003 – 2025)	61%

Contrary to what the public has been told, there is no ideal percentage of budget that a charity should dedicate to program expenses. The evaluators Charity Navigator and the Better Business Bureau Wise Giving Alliance assert that a charity should (essentially) spend no less than 65% of its budget on its programs. But because that number is arbitrary, and unless it is wildly out of line with other considerations in the operations of a charity, programming as a percent of overall budget should not be a factor in determining a charity’s use of money to promote its programs. At Kars4Kids, the reason program expenses are lower than those current evaluators require is that advertising is the only effective way to reach the public for acquiring donated vehicles. Advertising, which is expensive, generates more revenue for programs.

1.2 Fundraising Efficiency

The following information is compiled from the organization’s 990s and audited statements, in each year since Kars4Kids was established in 2002 (its name was Joy for Our Youth from 2002 to 2013).

Percent spent on fundraising to raise money:

In 2025	41%
High	41%
Low (2003 and 2006)	17%
Average (2002 – 2025)	30%

Kars4Kids spent 41 cents to raise a dollar in 2025, about 30 cents on average since 2002. Almost all of what is spent on fundraising each year (94% in 2025) is spent on advertising. That seems like a lot to the evaluators, but there is more to the calculation. If spending more yields more revenue, then why impose an arbitrary expense percentage? Advertising spending has an elasticity associated with it and Kars4Kids monitors its spending to ensure its impact is maximized. That number, both the dollar and percentage, can change each year, and no evaluator is in the position to second-guess the calculation for any one organization. In 2003 and 2006, Kars4Kids experienced its two most efficient years: 17 cents in each of those two years to raise a dollar (in 2006 the numbers were: \$1,556,581 spent and \$8,983,174 generated). In 2025, when the number was 41%, \$42,085,691 generated \$102,372,017. Looked at in a different, but very real and relevant way, comparing those two years (for example) Kars4Kids has increased its ability to operate and provide charitable services by more than \$90 million: less efficient but more benefit.

In 2025, Kars4Kids spent 47% of its budget on fundraising, higher than what evaluators say they are looking for. Again, however, the more that has been spent on fundraising, the more has been provided in operations and charitable services. Also, in 2025, Kars4Kids spent approximately 10% of its budget on administrative expenses.

Kars4Kids effectively has no development office and does not raise money in the way a typical charity does.

Kars4Kids does not have any arrangements with outside fundraising firms.

1.3 Audit Report

Every year, Kars4Kids commissions an audited financial report from an outside, independent auditor. The report, including schedules and notes, is made available to all who request it.

Kars4Kids' income exceeds \$1 million, and it hires an outside certified public accountant. Its most recent opinion letter states:

“We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.” It also states: “In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Kars 4 Kids Inc. and Affiliates as of December 31, 2025, and the changes in their net assets, functional expense, and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.”

The audited statement addresses the following relating to joint cost allocation: the total amount of the joint cost activity, and the portion of this cost that was allocated to program service, fundraising expenses, and if applicable, administrative expense categories.

1.4 Expense Reporting

- (a) Kars4Kids reports, on IRS Form 990, all fundraising and administrative expenses.
- (b) Kars4Kids' fundraising expenses are included in the fundraising expense category of both the financial statements and IRS Form 990.
- (c) Kars4Kids does not conduct special fundraising events.
- (d) Because of the way its communications are constructed, Kars4Kids has a category of expenses called “joint cost allocation.” The allocations adhere to the accounting rules in AICPA Statement of Position 98-2, which permits a charity, under certain conditions, to report a portion of such appeal expenses as a public education program expense and a portion as a fundraising expense.

Further, here is an explanation of the policy relating to joint cost allocation at Kars4Kids: Ads are a mix of fundraising, calls for the public to volunteer and join programs, and blends thereof. Advertising expenses are allocated accordingly.

- (a) **Radio and Television:** Kars4Kids has created various ads highlighting the importance and need for volunteering and mentoring in their communities, as well as directing them to a specific webpage where they can directly enroll and take action. The budget for radio and television ads with this messaging has been allocated at 2% to program.
- (b) **Online Ads:** Investing in Google search and similar search engines makes up the majority of online expense. Each Google ad has four direct links to the website. One out of four links sends searchers directly to the kars4kids.org/act page with a clear call to action to become a volunteer. The people who click on other links are brought to a page on which one-third of the page is devoted to encouraging the person to volunteer and become part of a program. Total online advertising expenses have been allocated at 15% to program.
- (c) **Outdoor:** Posters were allocated 50% program and 50% fundraising as many of the posters just say “Kars4Kids.” The boards with “donate your car today” were allocated to fundraising. Billboards are allocated 100% to program as there’s a direct call to action for the public to go to kars4kids.org/act.
- (d) **Marketing – Other:** Directory is allocated 50% fundraising and 50% program. Any radio expenses are allocated at 2% and online at 15% as noted above.

1.5 Budget Plan

Each year Kars4Kids prepares a budget for the upcoming year that clearly identifies and specifies the total projected amounts to be spent on programs, fundraising and administration. The budget is reviewed in detail and approved by the board.

SECTION 2

Leadership

RATING **Good** 

2.1 Board Oversight

Board members maintain appropriate oversight of all activities of operations and staff at Kars4Kids by actively engaging in the following.

- (a) The board formally reviews the performance of the chief executive officer once each year.

- (b) The board formally approves the budget each year.
- (c) The board formally approves a conflict-of-interest policy and regularly monitors it to ensure adherence.
- (d) The board has appointed a voting member (the treasurer; not a staff member) to oversee Kars4Kids' finances and report to the full board.
- (e) The board chair and the board treasurer are not the same person.
- (f) The board receives, on an annual basis, the following: 1) Kars4Kids' IRS Form 990, 2) Kars4Kids' audited financial statement, 3) the auditor's management letter (when one is issued).
- (g) The board ensures that Kars4Kids complies with all applicable government charity regulation.

2.2 Board Size

As of 2025, the Kars4Kids board has eight voting members: Eli Mintz, Robert Moskovits, Jeffrey Rubin, Joseph Weinberger, Reuven Kanarek, Shimshon Bandman, Moshe Ullman, and Akiva Goldberger.

2.3 Board Meetings

The full board of Kars4Kids holds three meetings each year at which members are physically present. Sometimes, when needed, the meetings are held via videoconference where everyone is able to see everyone else.

A majority, usually all, of the governing body members always attend board meetings. There is no proxy attendance.

2.4 Board Compensation

No member of the board is compensated for his or her service on the board. Eli Mintz, the executive director, and Robert Moskovits, the president of the organization of Kars4Kids (not of the board), both serve on the board but are compensated for their staff positions at Kars4Kids. No family members of board members are in any way compensated.

2.5 Conflict of Interest

Kars4Kids does not conduct any transactions with board member or staff-related firms and takes steps to ensure arm's-length transactions. Kars4Kids has a written conflict-of-interest policy on this topic.

The board has and acknowledges one conflict of interest: Eli Mintz serves as both board chair and chief executive officer. It is common for some senior staff to serve on a charity's board, because of an ex officio status, but it is not common for the CEO, or any other staff member for that matter, to serve as board chair because of a potential conflict of interest at the highest staff and board leadership levels.

2.6 Senior Staff

The senior staff consists of five people: Eli Mintz, Chief Executive Officer; Robert Moskovits, President; Esti Landau, Chief Operating Officer; Ben Turin, General Counsel and Director of Public Affairs; and Wendy Kirwan, Director of Public Relations. These listings and the biography for each can be found on the Kars4Kids website.

SECTION 3

Communication

RATING **Good** 

3.1 Materials

Kars4Kids' appeals include a description of the specific program activities for which funds are requested.

The first part (the message) of the fundraising appeal at Kars4Kids is transactional: The vast majority of the marketing and advertising program supports the public service (free and convenient vehicle pickup), which provides a steady stream of revenue for its charity work. This marketing is primarily focused on etching the Kars4Kids brand and phone number in the memory bank of any individual who might, one day, be in the market for car-removal services. Most donors to Kars4Kids (as confirmed by a donor survey conducted in 2018) are primarily concerned with the following: Is it easy to donate? Are cars picked up quickly? Is the staff professional, courteous, experienced and knowledgeable?

Then, to complete the donation process, donors must either visit the Kars4Kids website or speak to a representative by phone. By doing either, donors learn about Kars4Kids' charity programs in full. Thus, the Kars4Kids website and informational materials are clear, accurate and truthful in

describing the organization’s mission, programs and scope. On the Kars4Kids homepage, besides several references to the educational nature of its mission and its close affiliation with Oorah, there is a prominent link in the menu to additional informational sections about the charity programs Kars4Kids supports, where prospective donors can find more detail about those programs.

Kars4Kids generally does not conduct traditional donor-directed fundraising. On the rare occasion it does solicit cash donations by email or direct mail, however, such solicitations are accurate and representative of the intended use for the donations.

3.2 Annual Report

Kars4Kids has an annual report available online, and available in hard copy for those who request it, that includes: the organization’s mission statement, a summary of the past year’s program service accomplishments, and a roster of the officers and members of the board of directors. Its financial information includes total income in the prior fiscal year, expenses in the same program, fundraising and administrative categories as in the financial statements, and ending net assets.

3.3 Complaints

Kars4Kids takes complaints seriously. Over the years, Kars4Kids has responded promptly to all complaints. The website has a dedicated portion to explain past complaints and their resolution.

3.4 Transparency

Kars4Kids, with this report and a regularly updated page on issues and questions the public has forwarded, is transparent as appropriate about its operations.

SECTION 4

Impact

RATING **Excellent** 

4.1 Effectiveness

Kars4Kids has a written effectiveness policy that reviews performance and effectiveness, and recommends future actions to further its mission. The policy confirms that Kars4Kids needs to

formally evaluate its success and impact in fulfilling its mission, goals and objectives. The policy calls for an assessment every year.

Each year the staff of Kars4Kids submits to the board a report on its effectiveness, a document that is not the same as the annual report. The report addresses the following questions:

- (a) What is Kars4Kids trying to accomplish?
- (b) What are its strategies for making this happen?
- (c) What are Kars4Kids' capabilities for doing this?
- (d) How will Kars4Kids know if it is making progress?
- (e) What has Kars4Kids accomplished and what has Kars4Kids not accomplished so far?

Evaluation of Kars4Kids. Prepared by Doug White. Updated as of August 31, 2026.

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