

PARTNERS IN MISSION



PARTNERS IN MISSION: **A Handbook for Leaders of** **Mercy Partners Ministries**

A MERCY PARTNERS PUBLICATION

FOREWORD

The Board of Mercy Partners has developed this resource to enrich the partnership between Mercy Partners and the leaders (directors, executive staff and key stakeholders) of our ministries.

The title, *Partners in Mission*, reminds us that God's mission is our foundational purpose within Mercy Partners ministries and the determinant of all strategic action, relationships, values and organisational cultures. The purpose of this publication is for the Mercy Partners PJP, as the canonical sponsor, and Mercy Partners Ltd, as the owner, to clarify canonical stewardship and governance responsibilities of both the ministries and Mercy Partners itself.

Leadership of a Catholic organisation is an invitation to become a partner in mission, to ensure not just excellence and due diligence from a civil governance perspective, but also that the ministry is operating within the embrace of Church law and expectations.

Pope Francis calls on those leading Catholic ministries to be ... *more than mere administrators ... to be in a permanent state of mission...* (*Evangelii Gaudium*. 2013). What 'being in a permanent state of mission' looks like in the complex area of ministry leadership and governance is the subject of this resource.

While many leaders come to our ministries as experts in their various fields, expertise in the canonical obligations that apply to ministries that operate in the name of the Catholic Church, under the sponsorship of a Public Juridic Person (PJP), may not be as strong. This publication offers leaders an overview of information concerning Canon Law expectations in the areas of property, finance, governance, constitutions, mission and values.

The terms sponsor, owner, member, ministry and company are used interchangeably in this resource to refer to Mercy Partners and the incorporated bodies respectively. While the terms differentiate between canonical and civil responsibilities, it must be noted that these often overlap.

The publication describes and details:

- the organisational structure of Mercy Partners Limited
- the Reserve Powers of Mercy Partners Limited
- responsibilities regarding ecclesiastical goods, stable patrimony and canonical administration of Church assets
- civil governance responsibilities of boards and executive leaders
- policies, procedures and resources for effective governance within a PJP.

This publication is a guide and a tool. It is not intended to replace the frequent discussions and interactions between Mercy Partners and its ministries that must continue to take place around effective governance. These conversations are critical as we are partners collaborating in the mission of God, as the Mercy Partners Theological Framework reminds us: ... *because they are partners their relationships rely more on the formative value of friendship and collective vision than on inflexible institutional structures* (p.3).

We hope this resource will assist board chairs, directors and executives of Mercy Partners ministries to understand the expectations of ministries within Mercy Partners Limited. More information, training and formation can be provided by Mercy Partners for boards and/or executive leadership teams on these materials.

Mercy Partners vocation to living mercy in the world enables lay people to assume canonical leadership of ministries, giving the laity a new context for living out their gifts, and this contributes in a special way to the building of Christ's body by expanding pathways of leadership and collaboration within the Church

(Mercy Partners Theological Framework 2016. p13).

PARTNERS IN MISSION

A Handbook for Leaders of Mercy Partners Ministries

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Partners in Mission: A Handbook for Leaders of Mercy Partners Ministries (Second Edition)

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Mercy Partners acknowledges and thanks Dr Caroline Thompson
for the work undertaken to write and compile this Partners in Mission publication.

INTRODUCTION TO MERCY PARTNERS

Mercy Partners was established as a Public Juridic Person in the Church with Vatican approval in 2008. It was founded by the Congregations of the Sisters of Mercy in Queensland (Cairns, Townsville, Rockhampton and Brisbane) to govern their Catholic ministries in the fields of education, health, aged care, community services and disability services and social enterprise.

Mercy Partners has since welcomed ministries from other Mercy congregations (Parramatta and North Sydney) and other religious orders including the Queensland Presentation Sisters, the Missionary Franciscan Sisters of the Immaculate Conception, the Carmelite Fathers and Sisters of Sion and has evolved as a dynamic and proactive communion of charisms and ministries.

In 2022 Mercy Partners became an incorporated entity – a company limited by guarantee, moving from its previous status under the RICE Act Queensland. This move has not changed Mercy Partners canonical or civil governance of ministries.

A ministry is defined as a work of the Church whose key activities further God's mission. Ministries in Mercy Partners are also incorporated in civil law and require competent and accountable administration consistent with Australian law.

Mercy Partners was established to:

- sponsor ministries in the name of the Catholic Church
- respond compassionately and creatively to existing and emerging formation needs within ministries
- advocate in the public forum on behalf of the poor and disadvantaged
- provide pathways in the Catholic Church for canonical and civil leadership of ministries by lay people.

Mercy Partners is a founding member of the Australian Association of Ministerial PJPs which was established in 2017.

On the following pages are two diagrams.

The Mercy Partners Organisational Chart (fig. 1. P.5) illustrates the reporting lines between Mercy Partners ministries, Mercy Partners, the Canonical Stewards and the Holy See. The ministries of Mercy Partners, all companies limited by guarantee, are accountable to the Board of Mercy Partners, as owner, for specific canonical and civil delegated responsibilities. Mercy Partners Board, in turn, is accountable for specific canonical and civil responsibilities to the Members of Mercy Partners Ltd, who are nominated by the Stewards and submit their Annual Report to the members for review and approval. The Canonical Stewards, the congregations which have placed ministries into Mercy Partners, then review the Annual Report and give their approval for the Report to be submitted to the Holy See.

These Mercy Partners reporting arrangements support relationships of accountability and transparency between all entities. Accountability and transparency build trust, which supports partnerships and organisational health.

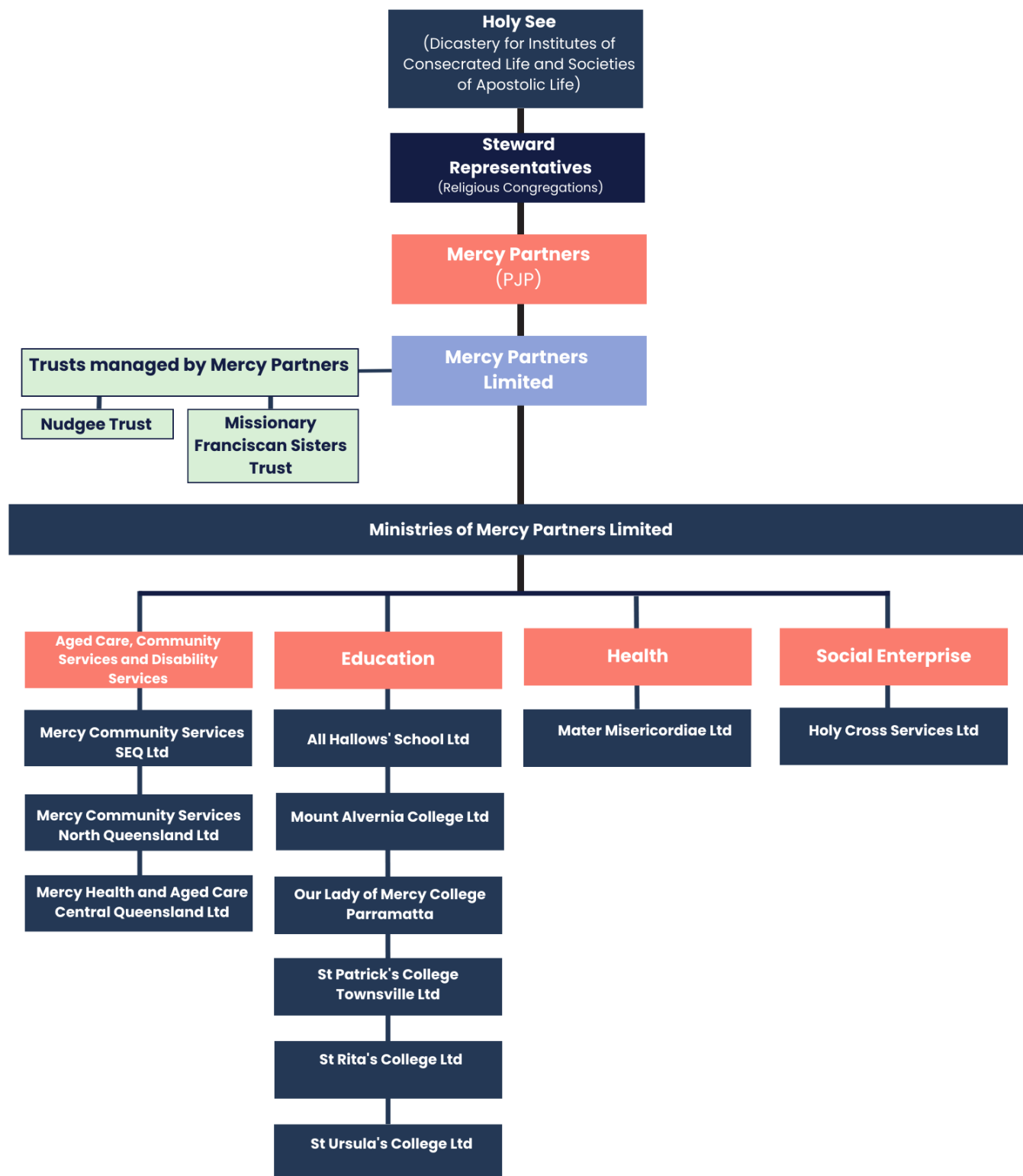
The Canonical and Civil Relationships Diagram (fig. 2. P.6) illustrates the relationship between Mercy Partners and its ministries under Canon Law, highlighting reporting accountability and the centrality of mission in the partnership between a PJP and its ministries.

Living the mission of Mercy Partners involves collaborating with others at every turn

(Mercy Partners Theological Framework p.2).

Mercy Partners Limited

Organisation Chart



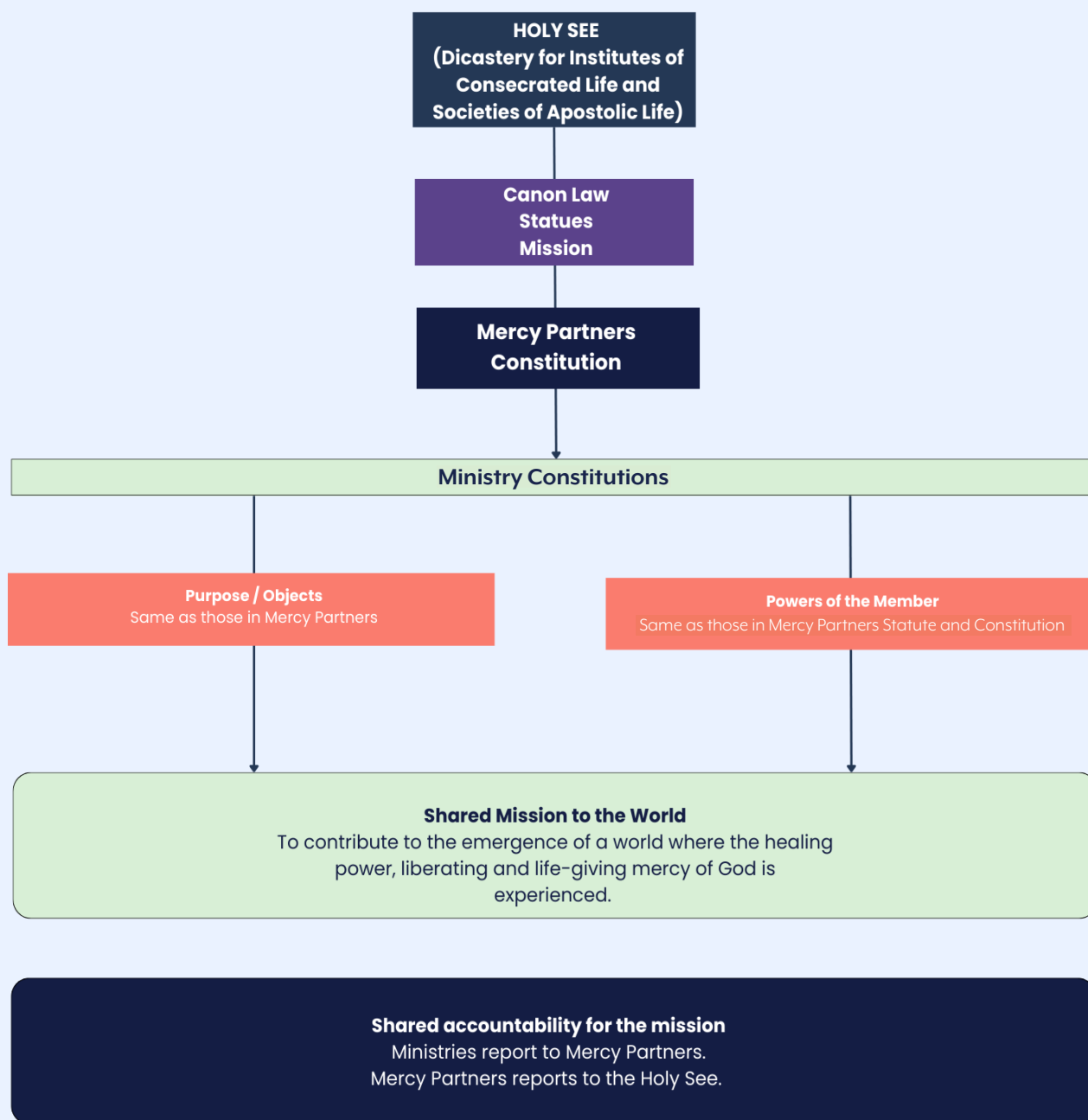
Holy See: The Vatican under the leadership of the Pope

Steward Representatives: individuals appointed by the religious congregations to represent them at the regular meeting of the Canonical Steward as set out in the Canonical Statute

PJP: Public Juridic Person

Mercy Partners Limited (PJP)

Canonical and Civil Structure



Holy See: The Vatican under the leadership of the Pope

Steward Representatives: Individuals appointed by the religious congregations to represent them at the regular meeting of the Canonical Steward as set out in the Canonical Statute

PJP: Public Juridic Person (PJP) is the term the Church uses for an entity established by canon (Church) law to perform a specific function. The most common PJPs are dioceses, parishes and Religious Institutes (e.g. Religious Orders).

Canon law: The body of law established within the Church regulating its constitution, ministries and governance

Dicastery: The Dicastery works to ensure that Institutes of Consecrated Life and Societies of Apostolic Life make progress in following Christ in conformity with the Gospel according to their proper charism stemming from the spirit of the founder and sound traditions, that they faithfully pursue their own ends and contribute effectively to the building up of the Church and to its mission in the world.

Member: A company limited by guarantee is a company without shareholders or shares. Typically used by non-profits and charities, this type of company is owned by the members.

CANONICAL GOVERNANCE:

Responsibilities and expectations

Canonical stewardship and civil ownership as exercised by the Mercy Partners PJP, through its civil operating entity, Mercy Partners Limited, ensures that God's mission is able to be realised through the work of the ministries. This includes both the nurturance of Catholic identity and the commitment to God's mission through the strategic management of assets and resources to ensure that the ministry remains viable and sustainable into the future. As Morrissey and Martin (2017) remind us:

When a Church entity wishes to carry out its mission, there must be prudent assessment of the needs and of the means necessary to do so ... provision must be made for tomorrow ... (p.22-23).

Before examining the specific expectations Mercy Partners has of its ministries and ministry boards, it is important to clarify canonical responsibilities surrounding ecclesiastical goods in the Catholic Church.

WHAT ARE ECCLESIASTICAL GOODS IN THE CHURCH?

Each of the ministries of Mercy Partners is a work of the Church with incorporated civil status. This means that each ministry owns its land, buildings and other assets under civil law. These assets are also ecclesiastical goods because they are part of God's mission – enacted through the work of the ministries. 'Ecclesiastical goods' refers to all of the assets of a ministry which enable it to carry out God's mission.

Canon Law refers to these assets as temporal goods. These goods can be movable or immovable and can include property, buildings, cash or other significant assets. Morrissey and Martin (2017) make a clear distinction between ecclesiastical goods and resources received from government or public sources. These resources are for specific activities, are separately audited and do not relate directly to the mission of a ministry.

STABLE PATRIMONY

Stable patrimony refers to those temporal goods which give the ministry the stability to carry out the mission in the long term. Stable patrimony therefore can include lands and buildings as well as items of cultural or historical significance, long term investments and funds restricted for particular purposes. Mercy Partners, as the canonical sponsor, is the custodian of the ecclesiastical goods of its ministries. This is because in Canon Law, only a PJP is able to own and administer ecclesiastical goods.

Since there is a wide diversity of ministries within Mercy Partners, there can be no set list of what constitutes ecclesiastical goods including stable patrimony. For this reason, Mercy Partners seeks to work in partnership with ministries to ensure administrative practices in relation to assets and finances are transparent, in line with canonical principles and mission focused.

In summary, ministry assets (temporal goods including stable patrimony) are ecclesiastical goods (assets belonging to the Church) as they are used to carry out God's mission. Their governance is subject to Canon Law. While CEOs/Principals are responsible for the management of the ministry, the Board of Mercy Partners is responsible for the protection of the ecclesiastical goods of the ministry.

The protection of ecclesiastical goods is enabled through the Reserve Powers of the PJP, outlined in the next section.

Living its mission in the name of the Church, Mercy partners goes forth in the name of the people of God, and its ministries carry this added dimension of ecclesial identity and vocation

Mercy Partners Theological Framework. p13.

HOW DOES CANON LAW DEFINE ADMINISTRATION OF ECCLESIASTICAL GOODS?

As a PJP, Mercy Partners is referred to as the 'canonical sponsor' of its ministries. In this role, Mercy Partners is bound by Canon Law in its expectations of ministries in their administration of ecclesiastical goods.

Canon law identifies three types of administration of ecclesiastical goods: acts of ordinary administration, acts of extraordinary administration and acts of major importance.

Acts of Ordinary Administration

Acts of ordinary administration are transactions and expenditures which are considered to be necessary for the daily and routine operation and maintenance of the ministry and its property, or the work and mission of the ministry. They would include the following:

- collection of debts, rents and interest
- maintenance of buildings and equipment
- payment of salaries and taxes
- acceptance of ordinary donations (where no conditions are attached)
- repairs of buildings and other assets.

Ordinary administration is the responsibility of each ministry board and leadership team.



Acts of Extraordinary Administration

Acts of Extraordinary Administration which require the approval of Mercy Partners Limited are encoded in the Reserve Powers of Mercy Partners Limited as the civil operating entity of the Mercy Partners PJP.

These circumstances can include:

- expenditure over limits set from time to time by the Member (Mercy Partners) according to the schedule provided to each ministry
- purchase of land or immovable goods (acquisitions) over a certain limit
- formation of any civil corporation or subsidiary entity
- joint ventures or affiliations with other organisations, including Church organisations
- acceptance or refusal of bequests to which are attached some qualifying obligations or conditions which could put the ministry at risk – financially, ethically or reputationally
- major building repairs or alterations
- court procedures which affect ministry reputation or sustainability
- major changes to the purpose and usage of the ministry property.

Extraordinary administration is enacted in partnership with Mercy Partners.

Acts of Major Importance

In rare circumstances, situations arise which affect the long-term viability of a ministry. These circumstances are often related to financial or legal issues which threaten the capacity of ministries to fulfil God's mission. In these cases, the Board of Mercy Partners will work collaboratively with ministry leaders to respond to situations ensuring that the principle of subsidiarity is respected.

Mercy Partners must be notified immediately of any threats to ministry viability.

*The mission of Mercy Partners ties the activities of its members
to the very heart of the Church*

Mercy Partners Theological Framework. p 22.

RESERVE POWERS:

Seeking Approval

The following section provides information on each of the Acts of Extraordinary Administration which involve Mercy Partners as the PJP. This information will help guide Boards in ascertaining when they may need to seek approval from the Board of Mercy Partners and how this approval can be secured.

RESERVE POWERS

Reserve Powers is the term used to describe the canonical responsibilities and jurisdiction of Mercy Partners as a PJP. Reserve Powers enable the Board of Mercy Partners to honour the legacy of the Religious Congregations who have entrusted Mercy Partners with their ministries by ensuring ongoing sustainability and mission fidelity. Reserve Powers are codified in Clause 9 of each ministry's constitution. Because each ministry is different, reserve powers must be tailored to each ministry.

Reserve Powers of Mercy Partners

Mercy Partners reserves the power to:

- **Adopt or change the mission, statement of mission, philosophy and values of the company** or of any corporation of which the Company is the controlling shareholder or member.
 - **Review the effectiveness of the Company** in fulfilling the mission, philosophy and values of the Company. Receive, review and approve the annual report including the annual audited Financial Statements of each ministry.
 - **Fix the number of directors for the Company** (subject to clause 19 of the Company's constitution).
 - **Appoint the Board of Directors of the Company, appoint the Chair and Deputy Chair from time to time and remove such Directors at any time with or without cause.**
 - **Approve any agreement pursuant to which a third party obtains the right or obligation to manage all or substantially all the operations of the Company** or approve any agreement pursuant to which the Company manages any entity or institution not sponsored by Mercy Partners.
- Approve:**
- **The dissolution and/or liquidation of the Company or any Corporation of which the Company is the controlling shareholder or member.**
 - **The establishment of any new subsidiary or affiliate of the Company or the establishment of any joint venture or other corporate affiliation** relating to a substantial component of the business of the Company.
 - **The closure of any institution or major industry or work conducted by the Company.**
 - **The sale, transfer, lease, alienation, sub-lease, licence, assignment or encumbrance of the stable patrimony of the Company or any corporation of which the Company** is the controlling shareholder or member provided however this shall only refer to leases, sub-leases and licences for a longer term than nine years.
 - **Any major capital borrowing by the Company where the amount borrowed in a single year exceeds the agreed limits.**
 - For the Company, or for any corporation for which the company is the controlling shareholder or member, the **acquisition of land, buildings or assets which constitute any new business** to those held at the passing of this Constitution.
 - **To approve the appointment, engagement and removal of the Auditors of the Company.**
 - **To amend or repeal any clauses of the constitution** or of the constitution of any corporation of which this company is the controlling shareholder or member.

Further information: Refer to your ministry's constitution, Clause 9 and associated clauses, for the exact wording of reserve powers applicable to your ministry, including associated explanatory clauses.

RESERVE POWERS PROTECT MINISTRY OPERATIONS:

Finance, Strategy and Property

In the next few pages of this publication, we will look in detail the key Reserve Powers, including Mercy Partners expectations of ministries in each area.

FINANCE, STRATEGY AND PROPERTY

Acquisitions

The Board of Mercy Partners reserves the power to approve acquisitions. Acquisitions are usually by purchase, gift or donation. Some gifts and donations are given by donors with conditions and their acceptance may need to be approved by Mercy Partners to ensure that these conditions do not put at risk the viability or mission of Mercy Partners or the ministry.

Mercy Partners requires a formal request for approval and a business case at least three months prior to any action taken.

Closures

The Board of Mercy Partners is required to approve the closure of any institution or major industry or work conducted by a ministry. Closures may be advisable for a number of reasons including the work of the institution being no longer required or the continuation of the service being affected by changes in government regulations or financial constraints.

Mercy Partners requires a formal request for approval and a closure rationale at least six months prior to any action taken

Alienation is a transfer of ownership of an ecclesiastical property. This is usually put into effect by sale, gift or exchange. The leasing of property usually is included in the 'alienation clause' although a lease is not technically an alienation. Approved limits for Alienation of Temporal Goods of the Church (Canon Law 1292 1) are indexed at 30 June each year by the Australian Catholic Bishops Conference (ACBC) in accordance with the annual rate of inflation (CPI). Mercy Partners is required by Canon Law to observe the limits published by the ACBC.

Mercy Partners requires a formal request for approval of transferring ownership of ecclesiastical goods and a business case at least three months prior to any action taken.

Establishment of subsidiary companies

Some ministries have subsidiary companies which provide a service to the mission of the ministry. Subsidiary companies must be established with the approval of the Board of Mercy Partners as a ministry company is unable to sponsor a work of the Church. This is reserved to a PJP, which is responsible for the Catholic identity and ecclesiastical goods of the ministry.

Mercy Partners requires full disclosure of the financial and commercial arrangements, identification of potential conflicts of interest, evidence of mission alignment, evidence of compliance with the Corporations Act and other civil law requirements.

Joint Ventures

Joint ventures, or other corporate affiliations relating to a substantial component of the business of the Company, require the approval of Mercy Partners because any joint venture brings the possibility of risks both to the ministry and Mercy Partners (as a whole). This risk could be financial or something more intangible, like reputational risk or compromise to the good name of Mercy Partners or the Catholicity of the ministry. This is particularly pertinent where a joint venture is with a secular organisation.

Joint ventures and corporate affiliations should enhance the mission, and this could include ventures which will contribute to the resources or longevity of the mission. Joint ventures however must not be such that they could compromise the position of the Church.

Mercy Partners requires a formal request for joint ventures at least six months prior to any action taken.

Borrowings

As the canonical sponsor and Member of the Company of each ministry, Mercy Partners reserves the power to approve the borrowings of a ministry up to a certain amount set by the Board of Mercy Partners. Amounts beyond these limits may require approval by the Holy See. This is because borrowings, whether secured or unsecured, may constitute a risk to the ministry and its stable patrimony as well as reducing the funds available for mission. Mercy Partners will advise whether Holy See approval is required and request the appropriate documentation. In large ministries, some borrowing may be considered operational and necessary to achieve the best outcomes from investments and can be considered ordinary administration.

Capital borrowing or long-term financial commitments for the purpose of expanding the mission by providing additional facilities needs to be approved by Mercy Partners

Mercy Partners requires a formal request for capital borrowings over set limits. Extra time needs to be given for borrowings that require Holy See approval.

Leases and licences

Even though there is not a transfer of ownership when leasing one's property to another party, control of the property is temporarily lost.

Therefore, a lengthy lease situation may constitute an alienation. Mercy Partners will ask whether the lease supports the values of the Catholic Church and whether there are any conflicts of interest

Mercy Partners requires a formal request for approval and a business case at least three months prior to any action taken.

To approve the appointment, engagement and removal of the Auditors of the Company.

Mercy Partners requires a formal request for approval, engagement or removal of an auditor.

Formal requests to the Board of Mercy Partners should include:

- a detailed description of the transaction, alienation, closure, acquisition, borrowing etc.
- evidence of due diligence on the part of the ministry: business case, viability analysis
- evidence of Board consideration of the action: minutes or letter
- financial details including ability to repay loans or the destination of monies gained by borrowing, lease or alienation
- a timeline for completion of the proposed action
- details of the impact of the proposed action on those served by the ministry and its contribution to the mission (mission alignment)
- evidence of stakeholder consultation.

**Further information: Mercy Partners has developed a Governance video resource
Video 3 in the series explains Reserve Powers
(available via the [Ministry Portal](#))**

...we should keep in mind that we are dealing with goods which are considered to belong to the Church through one of its entities. For this reason, persons who are involved in their administration, even in the civil domain, are also acting on behalf of the Church... This calls for good dialogue and understanding on both parts so that the overriding canonical principles relating to temporal goods also find their expression in the corresponding civil structures and policies...

(Mercy Partners Theological Framework, p. 12).

RESERVE POWERS PROTECT MISSION:

Governance

A core function of Mercy Partners is monitoring the ministry's fidelity to God's mission and its stated philosophy and values. Mercy Partners supports such fidelity in the following ways:

- **All board directors and executive staff undertake Mercy Partners Formation covering all criteria in Mercy Partners Formation Framework across their appointment period**

Further reading: Ongoing Formation of Mercy Partners Leaders (available in the [Ministry Portal](#))

- **New directors undertake induction programs provided by Mercy Partners**

Further reading: Induction of Mercy Partners Leaders (available in the [Ministry Portal](#))

Directors of Mission in each ministry work closely with Mercy Partners to develop and resource effective formation for staff at all levels of the ministry. Mercy Partners offers an annual mission leaders' gathering as well as within-ministry assistance and resourcing for ministry formation. Mercy Partners also:

- asks that Directors of Mission in each ministry be a member of the executive team.
- provides annual leaders' gatherings and regional leaders' gatherings.
- provides targeted formation programs for induction, governance, Catholic identity and mission awareness, mission integration through retreats, pilgrimages, reflection days, etc.

Further reading: Formation Policy (available in the [Ministry Portal](#))

There are a number of important Reserve Powers which address effective governance and the protection of mission and Catholic identity. The Board of Mercy Partners therefore reserves the power to:

Approve any change to the mission, philosophy and values of the company or of any corporation of which the Company is the controlling shareholder or member. Change in mission and values includes mission statements and corporate logos.

Mercy Partners requires a formal request outlining any changes to the mission statement, values or logos.

Receive, review and approve the annual report including audited Financial Statements of the ministry.

Mercy Partners requires each ministry to provide audited financial statements at the end of each year, as well as regular management reports, including financial information – schools half yearly, all other ministries quarterly.

Review the effectiveness of the Company in fulfilling the mission, philosophy and values of the Company.

Mercy Partners requires each ministry to submit regular scheduled reports using the templates provided (refer to the Annual Ministry Planning Guide which includes Board submission deadlines for reports). These reports include reporting on mission and formation activities. The Mercy Partners Director of Formation liaises with Board Chairs regarding Board formation programs. Mercy Partners also receives face-to-face reports from ministry Board Chairs and Principal/CEOs at scheduled Mercy Partners Board meetings.

Fix the number of directors for the Company (subject to clause 19 of the Company's constitution).

Mercy Partners requires a formal request to approve changes to the number of directors in a Ministry Board.

Appoint the Board of Directors of the Company, appoint the Chair and Deputy Chair from time to time and remove such Directors at any time with or without cause.

Mercy Partners requires a new Ministry Board Member Application Form as part of the Ministry Board member approval process.

New board directors will be subscribed to the Mercy Partners newsletter and the Mercy Moments, Advent Moments and Lenten Moments.

Further reading: Appointment, Reappointment, Resignation and Removal of Directors Policy and Ministry Board Member Application Form (available in the [Ministry Portal](#))

Approve any agreement pursuant to which a third party obtains the right or obligation to manage all or substantially all the operations of the Company or approve any agreement pursuant to which the Company manages any entity or institution not sponsored by Mercy Partners.

Mercy Partners requires a formal request for approval of any change to governance or management of a ministry

Approve any amendment or repeal of any clauses of the constitution or of the constitution of any corporation of which this company is the controlling shareholder or member.

Mercy Partners requires a formal request for approval of any changes to the ministry constitution.

OTHER SITUATIONS REQUIRING MERCY PARTNERS APPROVAL

Appointment of senior leadership positions

Mercy Partners is involved in the recruitment and appointment of key executives and board directors. Key executive positions include CEO/Principal and the Director of Mission. A Mercy Partners Board nominee participates in the short-list process and selection panel. The Board of Mercy Partners will approve appointments.

Further reading: Annual Ministry Planning Guide (available in the [Ministry Portal](#))

Keeping an inventory of ecclesiastical goods and stable patrimony

Canon Law 1283 states that administrators 'are to draw up a clear and accurate inventory, to be signed by themselves, of all immovable goods, of those movable goods which are precious or of a high cultural value, and of all other goods, with a description and an estimate of their value' and that 'a copy of this inventory is to be kept in the administration office'. The reason for such an inventory is to ensure the protection and prevention of loss to the Church of ecclesiastical goods.

Mercy Partners requires each ministry to draw up an inventory of ecclesiastical goods and stable patrimony and keep this updated.

The inventory of stable patrimony should include:

1. real estate (land and buildings acquired with the intention of long-term retention)
2. significant cultural or spiritual assets such as fine furniture and books, cultural and precious objects
3. some long-term investments in securities
4. some restricted funds set aside for a specific purpose
5. acquisitions including donations or gifts which are used for mission.

Mercy Partners pursues its mission in faithfulness to Christ and his body, especially the poor. Its authorisation makes it accountable then both to the Holy See ... and to all the people who serve and are served by its ministries ...

(Mercy Partners Theological Framework, p. 12).

A FINAL WORD ON CANONICAL RESPONSIBILITIES

What are the Responsibilities of Ministries as Administrators of Ecclesiastical Goods?

In Canon Law, administrators have the responsibility to act as a good householder. These responsibilities are similar to the fiduciary responsibilities required by Corporations Law and ACNC legislation.

Canon Law 1282 states that 'All persons, whether clerics or laity, who lawfully take part in the administration of ecclesiastical goods, are bound to fulfil their duty in the name of the Church, in accordance with the law'. Therefore, Mercy Partners expects its ministries to meet the responsibilities of administering ecclesiastical goods as outlined in Canon Law (see below) and Civil Law.

DETAILS	CANON REFERENCE
To act within the limits and manner of ordinary administration, except where Mercy Partners approval requires otherwise – without permission, the act is invalid in canon law.	Canon 1281 §1
To arrange adequate insurance.	Canon 1284 §2 1
To ensure that all relevant civil law is complied with in relation to property.	Canon 1284 §2 2
To attend carefully to the wishes of the founder or donor of money or goods to the ministry.	Canon 1284 §2
At the proper time, to make repayments of principal and interest payments on loans.	Canon 1284 §2 5
To invest surplus monies for the benefit of the ministry.	Canon 1284 §2 6
To keep accurate records of income and expenditure.	Canon 1284 §2 7
To draw up a financial statement to be audited each year.	Canon 1284 §2 8
To submit each year the audited financial statement to Mercy Partners.	Canon 1287
To securely preserve and archive records of transactions related to ecclesiastical goods.	Canon 1284 §2 9
To not institute or contest proceedings in a civil court in the name of Mercy Partners with-out first obtaining the written permission of the Board of Mercy Partners. Note: Mercy Partners ministries are often complex organisations which are incorporated in Civil Law. Mercy Partners has delegated this power to most of the boards. It is incumbent on boards, however, to keep Mercy Partners informed of major litigation – particularly where a loss of reputation or property, or cessation of a ministry work could result.	Canon 1291

Mercy Partners expects all ministries to be compliant with existing civil responsibilities and regulatory compliance requirements. These civil governance expectations ensure that policies and procedures are in place to ensure fair trading, financial sustainability, safety and security of staff and clients, protection from legal threats, compliance with legislation for the protection of people and the environment and the continuation of the mission.

Corporations Act

That Mercy Partners conducts the Annual General Meeting (AGM) of the Company and the Mercy Partners Board, Ministry Partner and CEO are provided with the annual report and the audited financial statements 14 days prior. Any questions or concerns related to the documentation are then raised with the ministry prior to the AGM. Assuming no major concerns, the reports and financial statements are then approved at the AGM.

Further reading: Conducting Ministry Annual General Meetings (available in the [Ministry Portal](#))

Financial reporting requirements and accounting standards

That regular reporting on canonical and civil responsibilities be provided to Mercy Partners.

Further reading: Annual Ministry Planning Guide (available in the [Ministry Portal](#))

Schools report twice yearly and other ministries report quarterly. Mercy Partners expects clear reporting from the ministry in the following key areas:

- a. Mission fidelity
- b. Governance oversight
- c. Financial health
- d. Strategic risks
- e. Environmental sustainability

Relevant Australian legislation, codes and practices

That ministries confirm prior to the Company AGM that there have been no significant compliance risks and financial issues in relation to relevant federal and state legislation and codes including:

- Fair Work Act 2009
- Work Health and Safety Act 2011 Qld and NSW
- Occupational Health and Safety Act 2004 VIC
- Intellectual Property Laws Amendment Act 2015
- Marketing and promotion codes including branding
- National Construction code 2019
- Reporting practices to regulatory bodies i.e. ACNC, ABR, ASIC, ATO etc.
- National Environment Protection Act 1997
- The Environment, Protection and Biodiversity Conservation Act 1999
- Age Discrimination Act 2004
- Disability Discrimination Act 1992
- Racial Discrimination Act 1975
- Sex Discrimination Act 1984
- The Treasury Laws Amendment (Enhancing Whistleblower Protections) Act 2019
- Crimes Legislation Amendment (Powers, Offences and Other Measures) Act 2018
- Slavery-Like Conditions and People Trafficking Act 2013 (Cth), and National Action Plan to Combat Human Trafficking and Slavery 2015-19 (impacting ministries with an annual turnover in excess of \$100M)
- Workplace Gender Equality Act 2012 (impacting ministries with a staffing in excess of 100).

Risk management

That Mercy Partners be immediately informed of any:

- Major threats or perceived threats to the sustainability of the company and its assets.
- Major litigation and instances where loss of reputation or property might occur.

Mercy Partners also expects these risks to be clearly identified in Company reports and minutes and that mitigation plans are in place to manage risk. Mercy Partners should not find out about crises via the media.

Compliance with additional significant commitments made by the Catholic Church in Australia and Mercy Partners.

That Mercy Partners ministries:

- Participate in the National Redress Scheme and Catholic Professional Standards Ltd audits.
- Immediately inform Mercy Partners of any breach of the Child Protection Provisions and strategies for managing these
- Immediately inform Mercy Partners of any breach of Vulnerable Persons Provisions (aged, those with disabilities etc).
- Commit to implementing an Environmental Sustainability Action Plan and a Reconciliation Action Plan.

CONCLUSION

This publication summarises the expectations and reporting requirements of directors and key executives of ministries within Mercy Partners. Discussion of any aspects of this publication is encouraged across ministries. The Board of Mercy Partners and its executive are ready to engage in thoughtful and productive dialogue regarding the details included and to provide formation for board directors and key leaders on any aspects of canonical and civil responsibilities within Mercy Partners ministries.

Further reading: Protection of Children and Vulnerable Adults (available in the [Ministry Portal](#))

Members of Mercy Partners discern their way forward in diverse ministries according to their shared desire for people to know the experience of God's mercy. And because they are partners, their relationships rely more on the formative value of friendship and collective vision than on inflexible institutional structures.

(Mercy Partners Theological Framework, p. 12).

REFERENCES

Morrissey, M. & Martin, P. (2017) *Temporal Goods at the Service of Mission of Ministerial Juridic Persons*. Published by CHUSA. Washington.

Jacobs-Vandegheer, C. (2016) *Mercy Partners Theological Framework*.

Mercy Partners Video Series: *Leadership and Governance*

MINISTRY PORTAL

For the ease and convenience of our ministries, Mercy Partners has created a Ministry Portal within our website (<https://www.mercypartners.org.au/ministry-portal/>). The Portal enables Mercy Partners to publish key documents referenced throughout this publication in one central location and includes our Annual Ministry Planning Guide along with information on the following:

- Formation
- Grants Available to Ministries
- Board Approvals and Advice
- Ministry Reporting Responsibilities
- Marketing and Branding
- Connecting with Mercy Partners

Your login details to the Ministry Portal are available from the Company Secretary/Business Manager of your Ministry.