

**Responses to Questions
Related to the Bold Moves Resolution
Regarding Restructuring the Ministries Foundation
October 5, 2021**

The Context

Guided by the Spirit of the living God and impelled to move forward intentionally and collaboratively, the CSJ Community opens itself anew to an evolutionary process to continue our mission of loving God and the dear neighbor without distinction far into the future.

The Vision

The Sisters of St. Joseph and Consociates and all who share our charism and mission will continue to have a strong and vital presence in our various communities by building pathways through equitable relationships, inclusive spirituality, expanded ministries and environmental and social justice.

The Rationale

As Sisters of St. Joseph, we seek to address the needs of the times with ministries that are both effective and sustainable. Moving forward in mission and ministry is the intent of The Bold Moves Resolution presented at the Sister Assembly on August 21, 2021. The “Whereas statements” preceding the resolution lay out the rationale.

The Questions

A subcommittee of the Sisters’ Cabinet prepared the following responses to questions asked at the Sister Assembly. The questions clustered in four categories: Fundraising, Sisters’ Involvement, Finances and Operations.

Fundraising

The Ministries Foundation, a ministry of the Province, was established to assist the Province in funding ministries the Sisters founded. Since its recognition by the state as a 501C3 nonprofit organization in 1993, the Foundation has raised significant funds to assist in supporting several CSJ ministries.

About ten years ago, the Sisters’ Ministry Board (no longer in existence) directed the Foundation to focus its funding efforts on Sarah’s... an Oasis for Women, Learning in Style, the St. Joseph Worker Program and the St. Mary’s Health Clinics. More recently, the Foundation has funded new initiatives of Wisdom Ways and the Justice Commission.

The Foundation has provided our ministries with approximately two million dollars annually.

Gifts to the foundation come from donors, organizations, estate gifts and special events like the Gala. With one exception, the Foundation has been unable to apply for grants from corporations and family foundations that demand audited financial disclosures. The exception is St Mary's Health Clinics which is its own 501(C)(3) organization. The most recent annual report of gifts is on the Ministries Foundation website.

The resolution on the table proposes shifting oversight responsibility for LIS, Sarah's, St. Joseph Worker and Wisdom Ways to a newly structured foundation.

Initially, the province would continue its funding commitment to these ministries as well as to the St. Mary's Health Clinics. Details of the mutual and future responsibilities for the ministries by the province and newly structured foundation would be spelled out in a Memorandum of Understanding.

Present donors and the public involved in charitable giving are aware of the declining number of Sisters of St. Joseph and have legitimate questions about the future of CSJ ministries. A newly configured foundation sends a message that it would continue the CSJ mission by supporting and reimagining current ministries and by being responsive to new social needs and calls for justice.

A newly configured 501(C)(3) foundation would be able to apply for grants that require the release of financial audits. It also would be eligible to apply for membership in the Charities Review Council that provides data to donors about the viability of member charitable organizations. Donors, particularly younger donors, rely on data from the Charities Review Council for assurance that their gifts are being given responsibly. Further, a reconfigured foundation would be able to mount a capital campaign to give more visibility to the CSJ mission and broaden the base of donors.

Sisters' Involvement

The Sisters would continue to be involved in the ministries in many of the same ways they are now. Sisters serve on Advisory Councils/Groups for Sarah's, Learning in Style, the St. Joseph Worker Program and Wisdom Ways. Some Sisters volunteer in these ministries and attend events sponsored by these ministries and participate in the annual Gala which raises funds for these ministries as well as for St. Mary's Clinics. Frequent articles in *Together* feature these ministries. Moving forward, if we move in the proposed direction, there would be some differences in the governance, accountability

and decision-making processes for the ministries included in the newly structured “foundation” 501(c)(3). Some of these differences are illustrated below:

Question	Currently	Proposed
Where are the ministries housed?	The Province 501(c)(3)	The newly structured “foundation” 501(c)(3)
Who holds civil responsibility/accountability for the ministries?	The Province Leadership Team and Council	The Board of Directors of the newly structured “foundation” which includes Sisters who are on the Board
Who holds canonical responsibility/accountability for the ministries?	The Province Leadership Team and Council directly	The Province Leadership Team and Council through the Reserved Powers or a Sponsorship Council within the Board of Directors
Who supervises the directors of these ministries?	A Province Leadership Team Member	The person responsible for the “Program Arm” of the newly structured “foundation” 501(c)(3)
Who makes decisions about new ministries as they evolve and may seek funding?	A function of the Sister Assembly is to approve current and emerging ministries as eligible for CSJ Ministries Foundation funding	The Board of Directors of the newly structured “foundation” which includes Sisters who are on the Board

In the grassroots planning for the newly structured “foundation,” a Memorandum of Understanding (MOU) would be developed. The Province Leadership Team would appoint a Memorandum of Understanding Drafting Committee.

An outline of a possible process for the development of the Memorandum of Understanding that would ensure involvement of the Sisters could be:

- a. In consultation with the Sisters, the MOU Drafting Committee gathers necessary information and dialogues with the Steering Committee, drafts a MOU, seeks legal review and brings it to the Sister Assembly for review, discussion and initial affirmation. The Sister Assembly passes it on the Province Council for its affirmation.
- b. The Province Council submits the draft to the Ministries Foundation Board and the Steering Committee which is developing the redefined organizational structure for review and input.
- c. If any changes are recommended/requested, MOU Drafting Committee reviews them, accepts or rejects them and revises the MOU if needed.
- d. The MOU Drafting Committee presents the MOU to the Sister Assembly for affirmation and passes it on to the Province Council for final approval.
- e. The Ministries Foundation Board reviews and approves the MOU. It is signed by officers of the Province and the Board.

Finances and Operations

Questions asked about finances and operations can best be addressed in the context of a Memorandum of Understanding which is a document between parties that explains the proposed agreement between them. It brings together thoughts and expectations and expresses a common path of action. The following are some of the areas that would need to be addressed in the Memorandum of Understanding:

- What are the Reserved Powers that would be stated in the By-Laws of the newly structured “foundation” 501(c)(3)? One purpose of the Reserved Powers is to ensure that the newly structured “foundation” 501(c)(3)’s mission flourishes long into the future. Typical Reserved Powers include appointment of the Executive Director, approval of Board Members, approval of annual budget etc.
- What agreements would the Province make regarding capitalization, financial support, buildings and properties, office space, etc.?
- What services would the Province provide, e.g. accounting and financial services, human resources, building repair and maintenance, technical support, utilities, legal services, etc.? Who would be financially responsible for these services?
- Who is responsible for fundraising for the current ministries and newly founded ministries?

What are the responsibilities of the newly structured “foundation” 501(c)(3) as it starts up the organization, e.g. recruitment and development of members to serve on the Board of Directors, hiring of person(s) who would report to the Board, etc.