An overview of the big picture

Is this article for you? Maybe, if you’re interested in the emerging overall civil structure of the Institute. Or, maybe not, if you’re happy to leave such matters to others. But for those who want to read on, here’s an overview of the “big picture.”

The Institute is both a canonical and a civil organization and, as a September 5, Mercy Now article explained, “the structures for these two parallel realities need to be in harmony.” Institute civil structures, shaped by Mercy values—including spirituality, community, service and justice—must enable the flourishing of Mercy life and mission into the future. Such structures need to support:

- a community of members who relate to each other locally and Institute-wide,
- growth in internationality, anti-racism and interculturality, and
- governance characterized by collaboration, mutuality and accountability.

Furthermore, civil structures must suit the legal context of the nations in which such structures are established and must ensure the Institute’s ability to fulfill its canonical responsibilities. They must protect Institute assets and limit liability, vest overall authority in the Institute Leadership Team, ensure responsible stewardship of resources and be sufficiently flexible to evolve appropriately into the future.

Two types of familiar civil structures—not-for-profit corporations and charitable trusts—lend themselves to these criteria and objectives. The Institute and the former Communities have used not-for-profit corporations in the past. Going forward, the Institute is retaining, for the short- or long-term, some of those corporations. At the same time, the Institute has established new, additional not-for-profit corporations and charitable trusts where needed.

Not-for-Profit Corporations

Current civil corporations for the former Communities (CCASA; Guam; Mid-Atlantic; Northeast; New York, Pennsylvania West; South Central; and West Midwest) will transition
over time into the Sisters of Mercy of the Americas, Inc. The civil corporations for the Philippines and Jamaica will continue as international entities under ILT authority.

The corporations for Institute-sponsored ministries (Mercy Investment Services, Mercy Volunteer Corps, Conference for Mercy Higher Education and Mercy Education System of the Americas) will continue with provisions in place to ensure the canonical aspects of Catholic identity, Mercy charism and stewardship of assets.

Additionally, two new not-for-profit corporations have been created. The Mercy Ministry Corporation will assist in the coordination of sponsored ministries, many of which are separately incorporated. The Mercy Real Estate Holding Corporation will be for short-term holdings—land and buildings the Institute does not expect to keep over time.

**Charitable Trusts**
The Institute has created a new Mercy FIDES Trust (FIDES: Fund for Infirm, Disabled, or Elderly Sisters) to hold assets for the retirement and health care needs of sisters across the Institute. Assets from currently existing FIDES corporations (West Midwest; South Central; New York, Pennsylvania West) and assets for the same purpose from Northeast and Mid-Atlantic will move to this new FIDES Trust. Thus, the three current FIDES corporations will become inactive, while their overall purpose will continue to be met.

In addition, three new trusts have been established. The Mercy Real Estate Trust will be for long-term holdings, those lands and buildings the Institute expects to keep over time. The Mercy Operating Trust will hold assets needed to support the administrative and operational activities of the entire Institute on behalf of members, programs and staffing. The Mercy Fund for Ministry Trust will hold financial assets for the support of the ministries of the Institute.

While the existence of these not-for-profit corporations and charitable trusts may seem formidable, the reality is that the number of civil structures within the Institute is decreasing as some former structures merge and some either become inactive or go out of existence as they are no longer needed.

**Governance**
Not-for-profit corporations are governed by boards of directors appointed to oversee the functioning of the corporation. Charitable trusts are governed by trustees appointed to administer the trust solely for the charitable purpose specified in the establishing trust agreement and to manage the trust assets in accord with that agreement. In the current transition period, members of the ILT and Leadership Team members from across the Institute are serving as directors and/or trustees because of their familiarity with Community and Institute assets and
to ensure continuity. While honoring these values, this arrangement does mean added responsibilities for those in leadership positions.

In the past few months, “hand-off” meetings have helped facilitate the transition for directors of both the continuing and new not-for-profit corporations. Similarly, orientation sessions have been held for those serving as trustees for the newly established trusts.