



ORDER OF MALTA AUSTRALIA

Australian Association of the Order of Malta Limited Application of funds to Works of the Order Guidelines as approved at May 2022

(Guidelines Number: AAOML_G_006)

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1 Background

As a lay religious order, the Order of Malta exists to provide opportunities for our members and volunteers to attain holiness through 'hands on' work by serving our Lords the sick and the poor.

Funds raised within the Order are done so with the clear expectation that they are used directly to fund works of the Order itself and allow our members to become directly involved and engaged in serving others.

This document is designed to be a procedural guide as to how funds of the Order are to be applied to works.

2 Key working principles

- **Direct works** - Funds should be used for Order of Malta controlled and operated projects.
- **Hands on** - Projects should offer direct 'hands on work' for our members.
- **Overseas, use the Order's own network** - For works outside the home jurisdiction/ geography (such as disaster relief in other countries) the Order should direct funds to other bodies that are part of the Global Order of Malta family (i.e. local Associations of Order, Malteser International, CIOML(?), The Brotherhood of Blessed Gérard in South Africa). If no body exists the Order may choose not to support this specific need/project.
- **The Order is not a fundraiser for 3rd parties or a donor to other charities or to be used to channel funds from one source to another.** Funds are to not to be given to projects managed by 3rd parties. For joint projects with other organisations, the Order should have control and involvement in the project itself. This mitigates the risks for the Order and ensures projects that meet the objectives of the Order are prioritised.
- **Hospitaller Project Responsibility** - Works need to be directed by the Regional and National Hospitallers. Hospitallers are held accountable for the projects and funds provided for those projects.
- **Approved works.** All major proposals need to be approved by the ExCo and reviewed by the Audit, Risk and Finance committee.
- **Ensure no conflict of interests exists.** Where a potential conflict may exist it is declared, transparent for all members to see, and managed appropriately.
- **Project based funds.** Funds are provided to active projects and funds spent promptly. Funds are not provided to individuals or geographies to be decided what to do in the future. Unused funds should be returned.

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- **Compliance is not an option.** Funds are not provided to works and projects that are not compliant with the Order's policies such as safeguarding, conflict of interest checks, anti money laundering, and other such policies available on the Order's website.

3 Further discussion

Members of the Order are **members of a national body**, which is practically organised at local levels for its activities. Therefore, while governance and most administration is at Executive Council level, the works, charity and activities are **carried out at the local level**, through the National Hospitaller and Regional Hospitallers, their workgroups of members and/or volunteers. The Treasurer and Executive Council supports the National and Regional Hospitallers with **the resources to carry out the Order's works**. These local works, require resources, including funding and other support, including budgeting and planning, engaging suppliers, paying invoices, providing funds, extending insurances and risk management to the works, and reporting.

Article 212 (Classification of Goods) of the Order's Constitution and Code provides assets of a National Association are assets of the Order and therefore have to be held and administered for its purposes.

Using these principles, funding is required for:

- **Works** - Planning so that the Order can best serve the poor and sick,
- **Administration** – ensuring adequate governance of projects by the Order and other compliance such as reporting to regulators,
- **Fundraising efforts** – membership fees, donations, bequests and other.

The Order should limit itself to a few, well run directly controlled works rather than a broad swath of interests. Resources are expended primarily through the Order's hands on work by members and volunteers, and secondarily through support, including financial support, for organisations that share in the principles and values of the Order.

Works can be generally categorized as either:

- **Direct works of the Order of Malta Australia.** These are the primary goal and priority for the Order. These are covered by our own planning and budgeting, personnel (members and volunteers or others), risk framework, risk assessments and controls, plus our own insurances;
 - the Order can also, but only secondarily to Direct works, apply funds towards:
- **Externally funded works**, externally funded works are all works not directly controlled by the Australian Association of the Order of Malta and its Executive Council, and include funding provided to other bodies connected with the Global Order of Malta network.

4 Responsibility for works and delegations

A Hospitaller, Regional Hospitaller or other Executive Council member (preferably 2) must be responsible for each and every work of the Order, or externally funded project of work. The Order may not support works without a responsible Executive Council Member. The Executive Council may delegate project responsibility to a project coordinator or team leader or steering group but primary responsibility lies with the Executive Council.

Hospitallers should be responsible for projects, and delivering those within allocated budgets... but not be responsible for fundraising, funds or budgeting, these and the overall risks of each project, are the responsibility of the whole Executive Council.

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Hospitallers should not be afraid of proposing works or asking for funds to support direct works. There should not be a scarcity mentality but collaborative effort to serve the poor and sick and seek way to provide funds required for worthy direct projects of the Order. (Clause 2.3)

5 Reliance on funds can only be to directly controlled works

To protect those it serves and to protect the Order, externally funded projects should not be wholly reliant or dependent for their existence on the ongoing support of the Order, which is primary focused on its own direct works.

For externally funded works, the Order looks favourably on financing a project to launch, and then for it to become self-funding (such as from Govt Grants, grants from Foundations, commercial elements of funding) or to help scale a project of works then assisting it to be self-funding.

6 Audits are required where risk suggests necessary

It is not uncommon for similar organizations to request an audit or facilitate the audit of “externally funded works”, and this should normally be a condition of support by the Order, unless the Executive Council has agreed and passed a motion that audit is not required. Direct works of the Order are audited annually, as part of the Order’s overall audit. (Clause 2.7)

7 Surplus is targeted

While financial surpluses on works are not an aim in itself, to protect the financial wellbeing of the Order and to protect the expectations of those we serve, projects and works are budgeted for a surplus, or at a minimum, levels of activity should be planned consistent with the budgeted level of funds to be made available, or expected to be available (through donations or otherwise), so that works record a surplus. (Clause 2.8)

8 Any project supported from anywhere

As a national body, it is recognised that members and donors from any location and internationally can and do support each and any project no matter which region or location the works are in. This recognises the strength / appeal of the project, and wishes of the supporters or donors. Hospitallers are therefore responsible for the projects, not funds. The organisation as a whole, can and will mobilize to support works of the Hospitallers. (2.10)

9 Indirect costs

It is acknowledged that each project of works incurs indirect costs such as volunteer and public liability insurance, campaign costs (printing, IT) and other indirect costs. These costs are kept to an effective minimum to maximise the effectiveness of resources devoted to works. (Clause 2.11)

10 The Order is not a funnel for funds

The Order itself, initiates and carries out projects or launches appeals to support specific projects itself through the National Executive.

Phrases such as “Done via the order” / “Channelled through the Order” / “In the name of the Order” / “through the Order” are not (to be) used. The Order carries out works, or chooses to support specific works. As such, the Order shall not be used to channel to or funnel funds to chosen works.

The Order’s Deductible Gift Recipient Status from the Australian Taxation Office, shall not be a majority motivator for using or involving the Order. (Clause 2.12)

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11 Related Policies and Documents

1. Code of Conduct
2. Financial Delegation of Authority Policy
3. Conflict of Interest (Register of Interests) Policy
4. Tendering and Procurement Policy
5. Strategic Alliances, Partnerships and Joint Ventures Policy
6. Strategic Alliance Guidelines

12 Review

This Guideline will be reviewed periodically and updated when required.

The National Hospitaller, National Treasurer, Chancellor and Company Secretary are responsible for overseeing the review, and recommending changes to the National Executive Council.

This Guideline is approved by the National Executive Council.