

Action Chelsea for the Respect of the Environment (ACRE)

Stewardship Endowment Fund Policy

Approved by the Board of Directors March 23, 2023



Whereas Standard 11 of the Canadian Land Trust Alliance Standards & Practices provides that Land Trusts should have a program of responsible stewardship for lands, and interests and lands, held for conservation purposes.

Whereas it is a best business practice to establish a source of secure funds for at least some of the ongoing costs of perpetually managing conservation lands.

Whereas the establishment of a Stewardship Endowment Fund (the “Fund”) enables ACRE to address not just conservation today, but also the perpetual conservation of natural lands (and interests in lands, i.e. conservation servitudes) and provides assurance to donors and governments that the purposes for which their funds and tax credits have been applied will not be degraded over time.

Therefore, ACRE establishes the Fund as follows:

The Fund

- 1.0 The Fund supports stewardship: all aspects of management of lands owned by ACRE.
- 2.0 Monies allocated to the Fund will be invested in a high-interest savings account or other secure investments approved by the Board of Directors. The income from the investments is available for the management of ACRE lands as set out in this Policy. The Treasurer will advise the Board on investments, consistent with the financial policies of ACRE.
- 3.0 The Fund is identified as a separate account in ACRE’s financial management system whereby the Fund’s transactions, income and expenses, are recorded independently from ACRE’s operating budget.

Allocations to the Fund

- 4.0 When ACRE purchases lands, it allocates to the Fund an amount equal to 10% of the appraised fair market value (or municipal appraised value, whichever is higher) of the said lands.
- 5.0 When ACRE receives a reimbursement for municipal taxes (from provincial or federal grant program, or similar), ACRE reinvests it into the Fund.
- 6.0 Any reimbursement of taxes paid from funds allocated to the Fund shall be reallocated to the Fund.
- 7.0 ACRE will carefully monitor the amount of the Fund benefit transferred to the operating budget (to cover management of lands owned by ACRE) so the Fund can continue to grow. In any case, only the interest raised from the investments will be transferred to the operating budget (noting the exemption in 12.0 below).
- 8.0 For all new land acquisitions, ACRE will have the required 10% Fund allocation amount in place, or as a promised donation, on the day of closing. However, ACRE may proceed with the purchase of Lands without having the required allocation amount in place if there are reasonable assurances that ACRE can allocate the requisite within a year of closing.
- 9.0 ACRE may raise additional funding to support specific activities, such as ecological restoration, on its lands on an as-needed and as-required basis, in addition to funds raised and secured for the Fund.

Allowable Expenses and Use of the Fund

- 10.0 Money in the Fund is available for the management of all ACRE conservation lands. The Fund is a common asset for all ACRE's conservation lands. In exceptional circumstances, the Board of Directors may allocate a specific donation to a particular ACRE property, as restricted funds for that property, by a Board Resolution.
- 11.0 Any Restricted Funds for a specified property will be managed, tracked and accounted for separately and will comply with terms and conditions of fund agreement as approved by the board.
- 12.0 The Fund may be used to pay for property taxes, conservation planning, conservation actions, the preparation and implementation of land management plans, reporting to donors, annual compliance monitoring for any conservation servitudes, required equipment and services, or other uses and expenses related to the management of ACRE lands as approved by the Board of Directors.

- 13.0 ACRE reserves the right to borrow from the Fund to cover short-term gaps for land acquisition only when ACRE has confirmed a source of funds for acquisition, but ACRE has not received the funds. These loans will be for periods of one year less and will not compromise the principle of the Fund over the long term.
- 14.0 For the budget purposes related to determining amounts available for expenses from the Fund, ACRE assumes the annual income on the principle in the Fund to be 3%.

This policy will be subject to review and update by the Board of Directors. Any update to this Policy is done with a view to continuous improvement and will not compromise the principle of establishing and maintaining a secure source of funds for some of the ongoing costs of perpetually managing acquired legal interests in lands. The implementation of this Policy, and the mechanisms to implement this Policy, will be likewise reviewed to ensure that it continues to meet the needs of the Organisation.

Approved by the Board of Directors

March 23, 2023

Stephen Woodley, President, ACRE

Gord Hill, Director, ACRE