

Action Chelsea for the Respect of the Environment (ACRE)

Stewardship Endowment Fund Policy

Approved by the Board of Directors on March 23, 2023

Updated and Approved by Board of Directors on March 17, 2026



Whereas

Standard 11 of the Canadian Land Trust Alliance Standards & Practices encourages Land Trusts to develop responsible stewardship programs for lands and interests held for conservation purposes.

Whereas

Establishing a secure source of funds for ongoing land management is recognized as the best business practice.

Whereas

The Stewardship Endowment Fund (the “Fund”) allows ACRE to secure the perpetual and long-term conservation of lands, providing assurance to donors and governments that their contributions and tax credits will sustain land integrity over time.

Therefore, ACRE adopts the following policy:

1. The Fund

1.1 ACRE has established the Fund to support stewardship of all lands managed by ACRE.

1.2 Monies allocated to the Fund are invested in accordance with the Stewardship Endowment Fund Investment Policy, as approved by the Board of Directors. The Treasurer provides investment advice, in accordance with ACRE’s financial policies. Investment income in whole or in part is allocated to the ACRE annual budget to support the management of the lands.

1.3 The Fund is maintained as a separate account within ACRE’s financial system, ensuring all transactions, income, and expenses are recorded separately from the general operating budget.

1.4 The primary purpose of the Fund is to generate income to cover Allowable Land Stewardship Costs as detailed in this policy.

2. Allocations to the Fund

2.1 Upon acquiring an interest in land (full or partial ownership, conservation easement, or otherwise), ACRE typically allocates 10% of the fair market value to the Fund (the “Original Allocation”), however

the amount may vary according to Board discretion based on the circumstances. See how fair market value is determined in Clause 1.7 in the Land Acquisition, Management, and Disposition Policy.

2.2 ACRE maintains a record of all Original Allocations resulting from the acquisition of Interests in land.

2.3 ACRE aims to preserve the capital value of all Original Allocations, using income generated by the Fund or other funding sources, where possible, to cover ongoing land stewardship costs.

2.4 ACRE regularly monitors and records the income generated by the Fund to ensure it suffices for ongoing stewardship costs.

2.5 ACRE makes any necessary adjustments to the Fund through additional contributions, increasing the Original Allocation when acquiring an interest in lands, or modifying investment strategies.

2.6 Unspent income from investments in the Fund will be reinvested to the Fund with the goal of increasing the Fund's value over time to account for inflation and unforeseen stewardship costs.

2.7 A resolution of the Board of Directors is required prior to reducing the Fund's total value below the sum of all Original Allocations.

2.8 For new land acquisitions, ACRE ensures that the required Original Allocation is in place at closing. However, the Board of Directors may decide by resolution to proceed without full allocation if there is reasonable assurance it can be allocated within the year.

2.9 Additional funding may be raised for specific stewardship activities (e.g., ecological restoration, capital repairs) aside from the core Fund.

3. Allowable Land Stewardship Costs & Use of the Fund

3.1 The Fund is available for managing all lands managed by ACRE, serving as a shared resource across the organization.

3.2 In exceptional circumstances, to respect the wishes of a donor, the Board of Directors may resolve to dedicate an Original Allocation to a particular interest in land. The Original Allocation will be managed and recorded separately as a restricted fund, subject to a funding agreement approved by the Board of Directors.

3.3 Allowable Land Stewardship Costs include:

- Property and school taxes and insurance
- Trail construction and maintenance
- Signage and recreation facilities
- Conservation planning and actions
- Property restoration projects
- Land management planning and reporting
- Donor reporting and compliance monitoring
- Equipment rental or purchase
- Staffing
- Training

Public education initiatives
Land appraisals
Professional Services
Fundraising for stewardship projects
Relationship building with neighbours and user groups
Volunteer management
Other costs related to land stewardship as approved in advance by the Board of Directors

3.4 ACRE may temporarily borrow from the Fund to cover land acquisition shortfalls, provided a funding source is confirmed, with loans limited to one year or less and ensuring long-term principles are upheld.

3.5 For budgeting purposes, ACRE assumes a 3% annual return on the principle within the Fund.

4. Review

The Policy will be reviewed every two years and whenever there is a material change in circumstances.