

## **Ice Age Trail Alliance (IATA)**

**Policy:** Property Monitoring and Land Defense Funds

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**Related Policies:** Endowment Fund Policy, Financial Procedures Policies, Gift Acceptance and Acknowledgement Policy, Land Acquisition Process & Criteria, Easement Amendment Policy, Easement Enforcement Policy

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### **1.0 Background and Purpose**

The purpose of this policy is to guide the development and use of the Property Monitoring Fund and Land Defense Fund.

The mission of the Ice Age Trail Alliance (IATA) is to create, support and protect the Ice Age National Scenic Trail as a thousand-mile foot trail tracing Ice Age formations across Wisconsin. To support its mission, IATA acquires property interests, but in doing so, it must consider each transaction carefully.

When acquiring a property, the IATA must consider all costs associated with the acquisition including but not limited to a) the initial cost to purchase the property, b) ancillary costs related to the acquisition, c) long-term monitoring costs, and, d) costs to defend the property should a legal issue arise. Stable sources for funding all facets of the land protection process must also be addressed for each property acquisition.

Generally, the IATA will fund one-time ancillary acquisition costs such as surveys, appraisals, title work, and baseline documentation reports using its general operating funds or other available designated funding source (e.g. State Stewardship Program funds). Property development and enhancement such as for parking lots and habitat restoration have been, and will continue to be, funded on a case-by-case basis through philanthropy efforts including, but not limited to, grants, individual contributions and corporate sponsorship. In the future, the IATA may consider creating Board-restricted funds to cover the costs of the land itself, and for development of properties owned by the IATA. However, this policy focuses on funding long-term property monitoring and legal defense of IATA land interests.

### **2.0 Authority for This Policy and Applicability**

Authority for this policy is provided by the Ice Age Trail Alliance's bylaws and corporate law. This policy is adopted by the IATA Board of Directors (the "Board"). All land acquisition projects brought to the Board for approval will include estimated costs, including long-term monitoring and defense costs, and any potential funding sources for these costs. The IATA's Executive Director and other staff members are empowered to develop and amend procedural documents as needed to implement this policy.

### **3.0 Property Monitoring Fund**

The Board-restricted Property Monitoring Fund (“PM Fund”) shall be maintained according to this policy. IATA shall fully fund and maintain the PM Fund in an amount sufficient enough that the interest generated by the PM Fund will cover the annual cost of performing property monitoring tasks. The PM Fund size is determined based on the current number and type of property interests held by the IATA. For new transactions, the amount of funding to add to the PM Fund shall be calculated for each transaction using IATA Cost Analysis Worksheet or other calculations that are in line with the Land Trust Alliance’s Standards and Practices. This amount will range greatly (from \$5,000 to more than \$25,000) for each transaction, and, this value shall be presented to the Board prior to acting on each transaction.

The Property Monitoring Fund shall be used to support annual monitoring of IATA-held property interests including easements, IATA-owned lands, deed restricted properties and other IATA property interests. Accrued interest from the PM Fund shall remain in the PM Fund.

Standard accounting practices will segregate the PM Fund and its accrued interest in all financial reporting.

### **4.0 Land Defense Fund**

The Board-restricted Land Defense Fund (“LD Fund”) shall be maintained according to this policy and in an amount sufficient to satisfy recommendations in the Land Trust Alliance’s Standards and Practices. The LD Fund size is determined based on the current number and type of property interests held by the IATA. For new transactions, the amount of funding to add to the LD Fund shall be determined and presented to the Board prior to acting on each transaction. The value per transaction typically ranges from \$1,200 to \$3,500.

The Land Defense Fund shall only be used to enforce easement rights, defend against easement violations, and defend IATA-owned properties against property disputes such as adverse possession or boundary issues. The LD Fund may not be used for day-to-day operations of the IATA, management of properties, or other non-land-related legal issues (e.g. liability).

Standard accounting practices will segregate the LD Fund in all financial reporting.

### **5.0 Sources of Funding**

Financing and maintaining the PM and LD Funds shall remain in place as long as IATA owns properties or holds property interests. Sources to continue to build these rather large funds will be diverse. The following strategies and opportunities should be explored during each transaction:

- For easement donations or purchases, the IATA should strongly consider making a request from land grantor(s) to contribute to the long-term management of the easement on their property. The amount and structure of each requested gift may take into account the importance and complexity of the project, the landowner’s financial situation and other available sources of funding.
- Local IATA volunteer chapters should assist with payment of acquisition costs. Many chapters possess, or may help generate, funds restricted for land acquisition that may be used to contribute to these Funds.
- The IATA should seek funding from government and charitable grants and individual gifts for a specific land acquisition which includes the cost of long-term management, monitoring, and defense in the overall acquisition cost of the project.

- The IATA is able to charge fees for its land-related services such as easement amendments at the landowner's request or recoveries in easement enforcement actions. Any funds received from these sources shall be put into the PM and/or LD Funds.

### **6.0 Exception**

Properties or property interests in which IATA will be retaining no legal interest after two years are not subject to this policy—i.e. sale or transfer properties. Such exceptions must be designated by the IATA Board as it approves to acquire a property or property interest and must be recorded and justified in the package presented to the Board.