

**Ice Age Trail Alliance, Inc.**

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

**Approved:** Board of Directors

**Effective Date:** January 26, 2013

**As Amended Through:** April 18, 2024

**Related Policies:** Investment Policy, Financial Procedures Policy, Philanthropy and Gift Acceptance Policy, Easement Enforcement Policy

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**1.0 Background and Purpose**

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

The mission of the Ice Age Trail Alliance (Alliance) is to conserve, create, maintain, and promote the Ice Age National Scenic Trail. To support its mission, the Alliance acquires property interests and carefully considers each transaction.

When acquiring a property, the Alliance 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 Alliance 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. Knowles-Nelson Stewardship Program funds, donor-restricted 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. This policy focuses on funding long-term property monitoring and legal defense of the Alliance’s land interests.

**2.0 Authority for This Policy and Applicability**

Authority for this policy is provided by the Alliance’s bylaws and corporate law. This policy is adopted by the 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 Alliance’s Executive Director & CEO, and other staff members are empowered to develop and amend procedural documents as needed to implement this policy.

### **3.0 Property Monitoring Fund**

The Property Monitoring Fund (“PM 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. In June 2023, the Alliance met its goal of an established Minimum Required Amount (MRA) for the PM Fund. The Alliance must now maintain the PM Fund at the MRA which is an amount sufficient enough that the interest generated by the PM Fund will cover the annual cost of performing property monitoring tasks. For new transactions, the amount of funding to increase the MRA of the PM Fund shall be calculated for each transaction using the Alliance’s 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 \$3,000 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 Alliance-held property interests including easements, Alliance-owned lands, deed restricted properties and other Alliance property interests. Earnings from the PM Fund shall either be used to support the above items or remain in the PM Fund to cover years when there may be no or negative income from the PM Fund. The Alliance’s Investment Policy shall be referenced for the investment of this fund.

The accounting records will segregate the PM Fund and its undistributed earnings in all financial reporting.

### **4.0 Land Defense Fund**

The 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 Alliance, as well as its enrollment status in TerraFirma Insurance. The Alliance met the Fund requirement in January 2024. 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 and commonly \$1,600.

The Land Defense Fund shall only be used to enforce easement rights, defend against easement violations, and defend Alliance-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 Alliance, management of properties, or other non-land-related legal issues (e.g. liability).

The accounting records 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 the Alliance owns properties or holds property interests. The following strategies and opportunities should be explored during each transaction:

- A. For land donations or purchases, the Alliance may request the land grantor(s) to contribute to the long-term management of the easement on their property.
- B. Local Alliance volunteer chapters often 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.
- C. The Alliance may also 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.
- D. The Alliance may use operations funds to cover these costs for each transaction.

## **6.0 Exception**

Properties or property interests in which the Alliance 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 Alliance Board as it approves to acquire a property or property interest and must be recorded and justified in the package presented to the Board.