

Land Acquisition Revolving Fund

PURPOSE:

This policy establishes how contributions are directed into the Land Acquisition Revolving Fund (Revolving Fund), the criteria for use of the Revolving Fund, and how the Revolving Fund will be administered.

POLICY:

The Land Acquisition Revolving Fund leverages the Land Trust's ability to complete priority land projects over the long-term. This fund is temporarily restricted in accordance with *Policy 6.3 Dedicated Funds* and is solely for the purpose of funding the direct costs involved in the acquisition of fee lands or conservation easements ("Acquired Land") to be held by the Land Trust or other appropriate organization approved by the Board. The intention is to replenish the Revolving Fund on a continuous basis with contributions from various sources.

Revolving Fund Contributions

Monies will be directed to the Land Acquisition Revolving Fund when:

- **A donor has restricted a contribution** for use in acquiring lands and/or conservation easements.
- **The Board directs unrestricted monies to the Land Acquisition Revolving Fund** through a vote of the board at a regular meeting.
- **It is a reimbursement for acquisition-related costs originally paid for by the Revolving Fund.**

Revolving Fund Disbursements

1. **Funds are to be used to pay direct costs involved in the acquisition of fee lands or conservation easements** held by the Land Trust or other appropriate organization approved by the Board. Allowable costs include, but are not limited to, direct acquisition-related costs such as purchase of land or conservation easements, appraisals, environmental assessments, a legal enforcement fund fee, land surveying, escrow and closing costs, and travel. Staff time directly related to the acquisition of property is an allowable cost; however, this is a low priority for use of the Revolving Fund. No monies shall be disbursed to pay for any fundraising or lobbying costs that may be associated with the acquisition of lands or conservation easements.
2. **Donor restrictions will be followed**, on those individual donations that are directed to the Revolving Fund - that restrict a donation to a specific location, project, or type of project.

3. **In considering a proposal for disbursement from the Revolving Fund**, the Board of Directors will review:
- The proposed use of the Revolving Fund, including, but not limited to, a review of the project, including the original evaluation materials, board decision and budget, the urgency of the request, opportunity costs, and which donation source the disbursement would be drawn from;
 - Alternative fund sources that are available and why the Land Acquisition Revolving Fund is the most appropriate source for the proposal;
 - How use of the Revolving Fund for the proposed purpose could leverage additional benefits to the Land Trust mission; and
 - The ability to reimburse the Revolving Fund, including the timeline and source of reimbursement.
4. **In certain limited circumstances, the Revolving Fund may be used to benefit a project where the Land Trust will not hold a long-term ownership interest in the Acquired Property.** In these cases, the Board shall ensure all of the following criteria are met:
- *If the organization is a government agency*, it either:
 - has as one of its principal purposes the conservation of natural resources (such as Washington State Parks or the Departments of Natural Resources or Fish and Wildlife) and there are adequate safeguards in place to reasonably ensure the Acquired Property will be protected as intended in the proposal under consideration, or
 - will allow an appropriate and permanent deed restriction or conservation easement to be placed on the Acquired Property to ensure it is protected, managed and used as intended in the proposal under consideration;
 - *If the organization is a nonprofit*, it meets the definition of a nonprofit nature conservancy corporation or association, as such are defined in RCW 84.34.250 and RCW 64.04.130; and
 - *It has been clearly demonstrated that the organization is the appropriate owner and manager* of the Acquired Property and has adequate resources to properly steward the property; and
 - *The Land Trust is not the most appropriate owner and manager* of the Acquired Property; and
 - *That ownership by another organization meets any restriction put on the donation source* in the Revolving Fund that the disbursement would be drawn from.

5. **In approving a disbursement, the Board will make a determination that:**

- The project is a high priority protection project and use of the Land Acquisition Revolving Fund will make a substantial difference in completing the transaction;
- The Land Acquisition Revolving Fund is the most appropriate source of funds for the purpose specified and monies are disbursed consistent with any applicable donor restrictions.
- For projects where there will be no long-term ownership by the Land Trust, an appropriate organization will own the property, as defined in Item 4 above.

Revolving Fund Administration

1. **The funds will be managed as temporarily restricted funds** in accordance with *Policy 6.3 Dedicated Funds*.
2. **Documentation will be maintained to meet internal audit requirements**, including a resolution from the board approving the disbursement and signed by the board secretary and treasurer.

Approved: March 06, 2005

President, Board of Directors