

Fact Sheet 1



Determining Stewardship Costs for Land Trust Properties

Standard 12; Practice A: *The land trust determines and documents the immediate and long-term financial and management implications of each land transaction and secures the dedicated and/or operating funds needed to manage the property, including funds for liability insurance, maintenance, improvements, monitoring, enforcement and other costs. The land trust sets priorities, ensuring first and foremost that the values for which the property was acquired are at least maintained or preferably strengthened. If funds are not secured at or before the completion of the transaction, the land trust has a plan to secure these funds and has a policy committing the funds to this purpose. - Canadian Land Trust Standards and Practices (2005)*

Land trusts often see their primary function to be the acquisition of land and the long term protection of that acquired land. As land trusts become more successful in this endeavour, it is essential that they understand and consider the impact that managing and stewarding the lands they secure will have on their financial resources so that they can plan accordingly.

Type of expenses

Making the decision to acquire a property commits the organization to care for the land in perpetuity. To ensure the land trust has the capacity to accept this responsibility, it is important that it considers both the up-front costs associated with the property, as well as the ongoing costs to manage the property over the long-term. Breaking expenses up into categories may be helpful in this regard. The following are different types of expenses for a property:



- land acquisition costs (e.g., purchase, legal, survey, appraisal)
- up-front costs (e.g., initial clean-up, signage, promotion, biological inventories)
- capital costs (e.g., trail development, boardwalks, equipment purchases, fencing)
- on-going management costs (e.g., monitoring, restoration, trail maintenance, annual clean-up, taxes, administration, insurance)

Stewardship costs

Costs to steward land trust properties effectively may vary from one organization to another, and from one property to another. One property may have public access where another may not. Stewardship may involve simple monitoring to ensure that the property is secure, or it may go further into managing the property for agriculture, restoration, or recreational activities. One organization may have stewardship staff to undertake technical work while another may have to hire a consultant. Determining the impact that a property will have on your stewardship budget depends on first ensuring that you have identified your goals for the property over time.

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Once the management goals have been determined, the land trust should look to establish an annual budget that will ensure that the management objectives can be reached. How to raise and manage the funds required is discussed in Fact Sheet #3 and #4.

Stewardship budgeting

For detailed examples of budgeting practices you should look to the Land Trust Alliance publication “*Determining Stewardship Costs and Raising and Managing Dedicated Funds.*” Chapter 2 addresses this issue in great detail.

Some examples of expenses that you should consider are listed below. These items may change from one organization to another and are offered here as an example only:

- **staff time**
- **travel**
- **property taxes**
- **insurance**
- **administration**
- **equipment rentals**
- **supplies**

Once a land trust has determined the costs associated with their annual stewardship activities, they can then look for ways and means to raise and manage those funds. There are a number of models to consider when making these decisions. You can find this topic in Fact Sheet #3 and #4.



The information provided is based on the Land Trust Alliance publication, “*Determining Stewardship Costs and Raising and Managing Dedicated Funds,*” Chapter 2. Please refer to this publication for more detailed information and case studies.



This document was reviewed and approved by the Best Practices Working Group on March 16, 2012. To access a copy of the full Land Trust Alliance manual please visit www.landtrustalliance.org.