



MAINE FARMLAND TRUST

MAINE FARMLAND TRUST Stewardship Fund Policy

Adopted December 8, 2015

The donation or sale of an **agricultural conservation easement** (referred to in this policy as a “conservation easement” or “easement”) is a major, long-term commitment for both the landowner and Maine Farmland Trust. In addition to the tax benefits or income which may result from granting an easement, the landowner needs to be assured that the trust is committed to and capable of ensuring that a cherished property will be forever protected.

When Maine Farmland Trust accepts a conservation easement, the organization agrees to become a partner with the landowner to restrict certain uses on the property in perpetuity. Current and all future landowners assume the legal responsibility to use the property in a manner consistent with the conservation easement. To fulfill its legal responsibilities as holder of the easement, Maine Farmland Trust monitors easement properties at least once each year to be sure no violations of the restrictions in the easement have occurred. Unfortunately, violations do occur, and their likelihood increases as time passes and properties change hands. If a violation is discovered, Maine Farmland Trust must be prepared to take follow up action with the landowner to seek voluntary correction of the problem, and to defend the terms of the easement in court if necessary.

Purpose of the Stewardship Fund

Maine Farmland Trust maintains an independent, restricted Stewardship Fund to cover the costs associated with monitoring and enforcing the easements it holds. This fund provides Maine Farmland Trust with the financial resources necessary to ensure that:

- Each easement property is physically monitored at least annually.
- Conditions of the land are documented in a written report with current maps, aerial and ground photos.
- Technical experts, such as agricultural, biological or land planning consultants, can be hired when necessary to advise on easement compliance matters.
- The monitoring report is explained to the landowner with recommendations on any compliance matters.
- Regular contact is maintained with landowner and subsequent owners are fully informed of the easement terms.
- Maine Farmland Trust can take necessary legal measures to enforce and defend the conservation easement.

Maine Farmland Trust works cooperatively with landowners to advise on easement compliance matters and to correct minor violations. In the unfortunate scenario where a serious easement violation occurs or protected agricultural or conservation values are significantly threatened or harmed, the Stewardship Fund enables Maine Farmland Trust to take necessary legal actions, which may include mediation, arbitration or action in court to seek correction of the violation or restoration of the agricultural or conservation resources. The Stewardship Fund is not used for general operating costs or other Land Trust project expenses.

Stewardship Fund Contributions

When considering the acceptance of a new donated conservation easement, Maine Farmland Trust requests that landowners or other project supporters make a gift of cash, securities or other assets to the Stewardship Fund at the time of the easement donation. Such stewardship donations are likely tax-deductible. The suggested donation is calculated based on a formula developed by Maine Farmland Trust staff, and reviewed annually by the Maine Farmland Trust Board, which formula takes into account factors including, but not limited to, property size, property location, and conservation easement terms. Maine Farmland Trust recognizes that a landowner contribution to our Stewardship Fund is always preferable. Because of this, Maine Farmland Trust project managers always ask landowners to make a donation to the Stewardship Fund. However, Maine Farmland Trust recognizes that not all landowners are able to make such a contribution, so, when necessary Maine Farmland Trust will work with landowners to identify other sources of donated funds for stewardship, including asking Maine Farmland Trust's Board to make a contribution to the Stewardship Fund for the project, which contribution would come from unrestricted funds. Another option is to for the landowner to pledge a future contribution that may be donated over several years or as a bequest.

When Maine Farmland Trust purchases an easement through its Purchased Easement Program, staff also calculates the required Stewardship Fund allocation, as described above. A portion of this amount is allocated as the "landowner's share" when calculating the purchase price of the easement. In many cases, the Board will need to allocate additional money to the restricted Stewardship Fund to meet the full amount required under the stewardship funding formula described above.

For Maine Farmland Trust's "Buy-Protect-Sell" projects, the amount of money required for stewardship is included in the budget for each individual project, and is allocated to the Stewardship Fund at the time of its resale of the property.

Additional Sources of Revenue for the Stewardship Fund

In addition to the sources of stewardship funding set forth above, special fundraising efforts will be undertaken as necessary to strengthen the Stewardship Fund.