



American Friends of Canadian Land Trusts



Cross-Border Conservation Program Overview for Canadian Land Trusts and Government Entities

Background

The American Friends of Canadian Land Trusts (AF) was established in 2006 to support land conservation in Canada, through cross-border conservation with U.S. residents. AF received recognition as a registered charitable organization in the U.S. in October 2007. AF's mission is "to protect, and to promote the protection of, the ecological integrity and other conservation values of the natural areas of Canada through securement of fee title and less than fee interests in land, stewardship, public outreach and education, and support of the conservation activities of Canadian land conservation entities and organizations."

Services to Canadian Conservation Organizations

Do U.S. residents own significant conservation lands that your organization is keen to protect? Does your conservation organization have U.S. funding supporters who wish to receive U.S. income tax benefits for their contributions in support of land conservation work in your region? The cross-border giving programs of the AF may be able to help. The programs operate on a cost-recovery basis (i.e. cover the operating costs of the program).

A. General Support Program: U.S. cash gifts to Canadian organizations

The AF General Support Program for cross-border conservation provides a U.S. tax deduction for donations of cash gifts.

Donation Procedures

Donors submit a letter to the AF along with their donation (sample template letter available). The donor may recommend the donation be used to make a grant in support of a Canadian conservation charity or government entity, provided that organization meets certain AF grantee criteria and is approved by and in good standing with the AF (see more below). AF will consider the donor's grant request, but (as required by the IRS for all cross-border organizations) the AF must exercise control over transactions and make an independent decision regarding the grant request.

Contributions and Fees

The minimum donation is \$200 US. All contributions made to the cross-border conservation giving program are acknowledged by letter indicating the tax deductibility of the contribution along with the AF's tax identifying number for the donor's files. Since AF is already a qualified exempt organization and assumes responsibility for the disbursement of the funds, all contributions are tax-deductible to the fullest extent of the law.

For the administration of this program, AF will retain 5% of all contributions up to \$10,000 US (2% of any amount over \$10,000 US). AF operates on a cost-recovery basis, with fees on donations providing the essential funding to run the programs.

Any interest earned from the funds in the program accrues to the AF.

AF's general support program was launched on November 22, 2007. U.S. donors may make tax-deductible donations to AF effective immediately.

B. Conservation Land Program

A second major program is AF's Cross-Border Conservation Land Program. It facilitates cross-border gifts of qualified conservation lands and partial interest in land (conservation easements/covenants) by U.S. residents for ecologically important land in Canada.

Through the program, the gift may be tax-deductible in the U.S. The AF is currently seeking special status in Canada under the Income Tax Act to provide U.S. donors with an ideal tax scenario of both a U.S. income tax deduction and elimination of Canadian capital gains tax on the gift. *Note—this combined tax benefit is not yet available to donors (as of March 2009).*

AFoLCT is pleased to announce that the Cross-Border Conservation Land Program is operational. For donations of land and conservation easements where capital gains tax is not an issue for the donor, AF is ready to process gifts of land and easements.. For those gifts that attract a significant capital gains tax in Canada (i.e. the land is worth much more now than when it was acquired by the donor), full tax benefits will likely not be available until late 2009 or 2010 when a ruling on AF's proposed special tax status in Canada is anticipated to be received from the federal Department of Finance.

AF may enter into a management agreement with a Canadian conservation charity or government entity relating to property stewardship. It may ultimately transfer ownership of the land or holding of the conservation easement, if either is deemed by the AF to be best future stewardship option for the particular property.

Donation Procedures

Detailed templates and checklists for proposed land donations, bargain sales, conservation easements/covenants, and gifts of remainder interest with reserved life estate, are available by contacting AF.

Contributions and Fees

AF requests \$3500 US for all gifts of conservation property or partial interest in property. This may be donated by the U.S. resident/donor or paid by the land trust. The Canadian land trust and/or the U.S. donor are expected to cover the costs associated with preparing the property for protection by AF including legal/title, survey and appraisals, baseline study and stewardship plan preparation.

AF Grant Program

Who can apply as an AF Grantee?

Any publicly-funded Canadian land trust, or conservation organization that is a charity dedicated to land conservation, or any government conservation entity may apply to be a grantee with AF (see application process below). AF will determine whether the organization meets its granting criteria, and whether its activities further AF's mission. For grantees applying to be eligible to accept transfers of land and/or conservation easement/covenant from AF, the organization must also demonstrate its ability to protect and effectively steward conservation land.

Application Process:

Any entity interested in applying can request a land/easement procedures package from AF. This application contains information on all the required steps and associated documents for completing a land transaction with AF.

Note: Such review is for AF's internal review purposes only. Acceptance as an eligible AF grantee does not guarantee that the applicant will receive any grants, nor that it meets any other organization's eligibility criteria related to conservation or tax-deductibility of gifts.

Grantee Fees

A one-time initiation fee is required of all Grantees.

Application fee to be a eligible AF Grantee:

Application fee for cash grants only: \$500 US

Application fee for cash and land/easement grants \$800 US.

Annual Renewal Fee:

\$250 US.

The fee includes review of the organization's application for status as an eligible donee for AF's Cross-Border Conservation Program, and administrative fees associated with reviewing grant recommendations, setting up and managing grants and gifts in support of grants.

For further information please contact:

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