Standard 1: Ethics, Mission and Community Engagement

Land trusts maintain high ethical standards and have a mission committed solely to conservation, community service and public benefit.

Practices

A. Ethics
   1. Adopt a written code of ethics and adhere to it in implementing the land trust’s mission, in its governance and in its operations
   2. Adopt a written whistleblower policy that protects individuals who come forward with information on illegal practices or unethical behavior
   3. Do not participate in transactions that are fraudulent or abusive or have a high risk of being so

B. Mission
   1. Adopt a mission that serves conservation in the public interest
   2. Review the mission statement to ensure it is relevant and reflects current activities whenever the board conducts strategic planning

C. Planning and Evaluation
   1. Establish strategic goals for implementing the mission, and review or update them at least every five years
   2. Evaluate programs and activities at least annually to ensure they are advancing the strategic goals

D. Community Engagement
   1. Communicate the land trust’s mission to landowners, community leaders and the general public to demonstrate through programs and activities how and why land conservation is important in the community
   2. Build relationships with elected officials and support conservation policies that are appropriate to the land trust’s mission
   3. Develop an organizational culture that respects and welcomes diversity and engages people who are broadly representative of the communities in which the land trust works
Standard 2: Compliance with Laws

*Land trusts fulfill their legal requirements as nonprofit tax-exempt organizations and comply with all laws.*

**Practices**

A. Compliance with Laws
   1. Conduct operations in compliance with applicable laws

B. Nonprofit Incorporation and Bylaws
   1. Incorporate or organize according to the requirements of state law and maintain legal status
   2. Operate in accordance with bylaws that comply with state law
   3. Review the bylaws at least once every five years to ensure they reflect current operations and are consistent with the articles of incorporation and state law

C. Tax Exemption
   1. Maintain status as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code (IRC)
   2. File a complete and accurate Form 990 with the Internal Revenue Service annually
   3. Do not engage in prohibited activities, such as private inurement or impermissible private benefit
   4. Comply with federal and state lobbying limitations and reporting requirements when lobbying elected officials
   5. Do not engage in political campaigns on behalf of or in opposition to any candidate for public office
Standard 3: Board Accountability

Land trust boards act ethically in conducting the affairs of the organization and carry out their legal and financial responsibilities as required by law.

Practices

A. Board Responsibility
1. Individual board members understand their role and their responsibilities as nonprofit board members, including their legal and fiduciary duties
2. The board provides oversight of the land trust’s finances and operations by
   a. Reviewing and approving an annual budget
   b. Ensuring that sufficient financial resources are available
   c. Receiving and reviewing financial reports and statements in a form and with a frequency appropriate for the scale of the land trust's financial activity
   d. Reviewing the externally prepared financial audit, review or compilation
3. The board hires, oversees and annually evaluates the performance of any executive director (or chief staff person)
4. The board may delegate decision-making and management functions to committees, provided that committees have clearly defined roles and report to the board or staff

B. Board Composition and Structure
1. Have a board of sufficient size, skills, backgrounds and experiences to conduct its work effectively
2. Have a board of substantially independent members
3. Have a board development plan that includes a systematic process for recruiting and training board members
4. Ensure the board’s presiding officer and treasurer are not the same individual
5. If a staff member serves on the board, clearly define the staff role and limit the board member role accordingly to ensure separation of duties and avoid undue influence
   a. No staff member serves as the board’s presiding officer or treasurer

C. Board Governance
1. Provide board members with written expectations for their service on the board
2. The board meets a minimum of three times per year and maintains adopted minutes of each meeting
3. Provide board members with sufficient and timely information in writing prior to each meeting to make informed decisions
4. Board members evaluate their performance annually as a group and as individuals at least once every three years
5. Adopt clear procedures for removing board members who are not fulfilling their responsibilities
6. Have governing documents that contain policies and procedures (such as provisions for a quorum and adequate meeting notices) to encourage broad participation and to prevent a minority of board members from acting for the land trust without proper delegation of authority

D. Board Approval of Transactions
1. The board reviews and approves every land and easement transaction
   a. However, the board may delegate decision-making authority on transactions if
i. It establishes written policies or has bylaws provisions that define the limits to the authority given to the delegated entity

ii. The delegated entity provides timely notification in writing to the full board of any completed transactions
Standard 4: Conflicts of Interest

*Land trusts have policies and procedures to avoid or manage real or perceived conflicts of interest.*

**Practices**

A. Dealing with Conflicts of Interest

1. Adopt a written conflict of interest policy that addresses, for all insiders, how conflicts are identified and avoided or managed

2. **Document the disclosure and management of actual and potential conflicts**

B. Board Compensation

1. Do not financially compensate board members, except for reimbursement of expenses and, in limited circumstances, for professional services that would otherwise be contracted out
   a. If the land trust compensates a board member for professional services,
      i. Adopt written criteria that establish the conditions under which it will do so
      ii. Document how it uses appropriate comparability data to determine the amount to be paid and to confirm that there is no private inurement

2. Ensure the board’s presiding officer and treasurer are never compensated for professional services

C. Transactions with Insiders

1. When engaging in land and easement transactions with insiders,
   a. Follow the conflict of interest policy
   b. Follow all transaction policies and procedures
   c. Ensure that there is no private inurement

2. For purchases and sales of property to insiders, obtain an independent appraisal by a qualified appraiser

3. When selling property to insiders, ensure that it is sold at or above fair market value to avoid the reality or perception that the sale inappropriately benefited an insider

4. **When engaging in financial transactions with insiders, contemporaneously document that there is no private inurement**

5. Do not provide loans to directors, officers or trustees
Standard 5: Fundraising

Land trusts conduct fundraising activities in a lawful, ethical and responsible manner.

Practices

A. Legal and Ethical Practices
1. Conduct an analysis of state charitable solicitation laws and register where the land trust determines it to be necessary
2. Do not compensate internal or external fundraisers based on a commission or a percentage of the amount raised

B. Accountability to Donors
1. Provide accurate and truthful solicitation materials and other communications to donors and the public
2. Classify all funds as unrestricted, temporarily restricted or permanently restricted as identified in written communications with, or as directed in writing by, the donor
3. Provide timely written acknowledgment of all gifts, including land and conservation easements, as required by law
4. Comply with the donor’s written restrictions for all gifts
5. Have a written policy or procedure to ensure donor privacy concerns are honored

C. Fundraising Plan
1. Develop and implement a fundraising plan or program appropriate to the land trust’s size and scope to ensure it can support its activities

D. Non-conservation Properties for Resale
1. When acquiring non-conservation property with the intent of selling it to support land trust programs,
   a. Obtain a written acknowledgement from any donor of the land trust’s intent to sell before accepting the property
   b. Follow existing transaction policies and procedures
   c. Maintain the property while in the land trust’s ownership in a manner that retains the organization’s public credibility

E. Marketing Agreements
1. Prior to entering into an agreement to allow commercial entities to use the land trust’s logo, name or properties, determine that these agreements will not impair the land trust’s credibility
Standard 6: Financial Oversight

*Land trusts are responsible and accountable for how they manage their finances and assets.*

**Practices**

A. Fiscal Health
1. Adopt an annual budget in which the revenues are greater than or equal to expenses, unless the board deliberately draws on the reserves
2. Have dedicated or restricted funds sufficient to cover the long-term costs of stewarding and defending the land trust’s land and easements
   a. If funds are insufficient, adopt a plan to secure these funds and a policy committing the funds to this purpose
3. Assess the nature and variability of revenue sources and establishes a commensurate level of operating reserves to sustain operations
4. Avoid overreliance on a single donor or single funding source over time
5. Do not borrow from permanently restricted funds to cover operating costs
6. Adopt written policies or procedures to ensure responsible and prudent investment, management and use of financial assets

B. Financial Records
1. Keep financial records in accordance with Generally Accepted Accounting Principles (GAAP) or an alternative reporting method acceptable to a qualified financial professional

C. External Financial Evaluation
1. Obtain an annual financial audit, review or compilation by an independent qualified financial professional, in a manner appropriate for the scale of the organization and consistent with state law

D. Internal System for Handling Money
1. Establish written internal controls and accounting procedures for handling money, in a form appropriate for the scale of the organization, to prevent the misuse or loss of funds

E. Risk Management and Insurance
1. Routinely assess and manage risks to ensure they do not jeopardize the land trust’s financial health and its ability to carry out its mission and legal responsibilities
   a. Use a high level of due diligence before using land to secure debt
2. Carry general liability, director’s and officer’s liability, property and other insurance appropriate to the land trust’s risk exposure and state law
Standard 7: Human Resources

Land trusts have sufficient skilled personnel to carry out their programs, whether volunteers, staff and/or consultants/contractors.

Practices

A. Capacity
   1. Evaluate whether the land trust has sufficient volunteers, staff and/or consultants/contractors to carry out its strategic goals and add capacity as needed

B. Volunteers
   1. Provide volunteers with training, supervision and recognition

C. Consultants or Contractors
   1. Clearly define relationships with consultants or contractors, ensure they are consistent with federal and state law and document them in a written contract, as appropriate

For land trusts with staff

D. Staff
   1. Have a written job description for each staff member and conduct periodic performance reviews
   2. Document the lines of authority, communication and responsibility between board and staff
   3. Ensure staff have appropriate training and experience for their responsibilities and/or opportunities to gain the necessary knowledge and skills
   4. Adopt written personnel policies that conform to federal and state law
   5. Provide fair and equitable compensation and benefits, appropriate to the scale of the land trust
   6. Develop a written succession plan to ensure continuity in the leadership and management of the land trust’s functions
Standard 8: Evaluating and Selecting Conservation Projects

Land trusts carefully evaluate and select their conservation projects.

Practices

A. Strategic Conservation Planning
   1. Identify specific conservation priorities or geographic areas where the land trust focuses its work

B. Project Selection Criteria and Public Benefit
   1. Develop a written process to select land and conservation easement projects
   2. Adopt and apply written project-selection criteria that are consistent with the land trust’s mission
   3. Document the public benefit of every land and conservation easement project

C. Property Evaluation
   1. Inspect properties before buying or accepting donations of land or conservation easements to document:
      a. That the project meets the land trust’s project-selection criteria
      b. The important conservation values on the property
      c. Any potential threats or risks to those values
   2. Evaluate potential risks to the conservation values on the property and modify the project or turn it down if the risks outweigh the benefits

D. Project Planning
   1. Individually plan all land and conservation easement projects so that:
      a. The land trust identifies the best available conservation strategy for the property
      b. The property's important conservation values are identified, documented and protected
      c. The project furthers the land trust’s mission and goals
   2. Assess the stewardship implications of each project and the land trust’s capacity to meet those obligations

E. Partnership Documentation
   1. When engaging in a partnership on a joint acquisition or long-term stewardship project or when co-holding conservation easements, create written agreements to clarify:
      a. The goals of the project
      b. The roles and responsibilities of each party
      c. Legal and financial arrangements
      d. Communications to the public and between parties
Standard 9: Ensuring Sound Transactions

Land trusts ensure that every land and conservation easement transaction is legally, ethically and technically sound.

Practices

A. Legal Review and Technical Expertise
   1. Obtain a legal review of every land and conservation easement transaction, appropriate to its complexity, by an attorney experienced with real estate law
   2. As dictated by the project, secure appropriate expertise in financial, real estate, tax, scientific and land and water management matters

B. Independent Legal Advice
   1. Provide information, but do not give specific legal, financial or tax advice
   2. Recommend in writing that each party to a land or conservation easement transaction obtain independent legal advice

C. Environmental Due Diligence for Hazardous Materials
   1. Obtain or conduct a preliminary environmental assessment (a preliminary investigation, transaction screen or Phase I assessment) for every land and conservation easement transaction and take steps to address any significant concerns

D. Determining Property Boundaries
   1. Determine both the legal and physical boundaries of every protected property through legal property descriptions, accurately marked boundary corners or a survey
   2. If a conservation easement contains restrictions or permitted rights that are specific to certain zones or areas within the property, clearly describe the locations of these areas in the easement document and ensure they can be identified in the field

E. Conservation Easement Drafting
   1. For every conservation easement,
      a. Individually tailor it to the specific property
      b. Identify the conservation values being protected
      c. Only allow uses and permitted rights that are not inconsistent with the conservation purposes and that will not significantly impair the important conservation values
      d. Only include restrictions and permitted rights that the land trust is capable of monitoring and enforcing
      e. Include all necessary and appropriate provisions to ensure it is legally enforceable
   2. Ensure each federally tax-deductible easement is consistent with the Treasury Department regulations (U.S.C. §1.170A-14)

F. Title Investigation and Recording
   1. For each property or conservation easement the land trust intends to acquire, obtain a professional title investigation, prior to closing, that results in either an attorney’s opinion or certificate of title or a title insurance policy
   2. Evaluate the title exceptions and document how the land trust addressed mortgages, liens, severed mineral rights and other encumbrances prior to closing through subordination, discharge, release
or other means so that they will not result in extinguishment of the conservation easement or significantly undermine the property’s important conservation values

3. Promptly and legally record all land and conservation easement transactions at the appropriate records office

G. Recordkeeping
1. Adopt a written records policy that governs how organization and transaction records are created, collected, retained, stored and disposed
2. Keep originals of all documents essential to the defense of each transaction in a secure location protected from damage
3. Create and keep copies of these documents in a separate location

H. Purchasing Land or Conservation Easements
1. When buying land, conservation easements or other real property, obtain an independent appraisal by a qualified appraiser in advance of closing to support the purchase price
   a. However, a letter of opinion from a qualified real estate professional may be obtained in the limited circumstances when:
      i. A property has a very low economic value
      ii. A full appraisal is not feasible before a public auction
      iii. In bargain sale transactions, the amount paid is significantly below market value
2. In limited circumstances where acquiring above the appraised value is warranted, contemporaneously document:
   a. The justification for the purchase price
   b. That there is no private inurement or impermissible private benefit

I. Selling Land or Conservation Easements
1. When selling land, conservation easements or other real property,
   a. Establish protections as appropriate to the property
   b. Obtain a qualified independent appraisal to determine the value of the asset and to support the selling price
      i. However, a letter of opinion from a qualified real estate professional may be obtained in the limited circumstance when a property has a very low economic value
   c. Select buyers in a manner that avoids any appearance of impropriety

J. Transfers and Exchanges of Conservation Land or Conservation Easements
1. When transferring or exchanging conservation land or conservation easements, consider whether the new holder can fulfill the long-term stewardship and enforcement responsibilities
2. If transferring to a party other than another nonprofit organization or public agency, base any consideration on a qualified independent appraisal (or letter of opinion when the property has a very low economic value) in order to prevent private inurement or impermissible private benefit
Standard 10: Tax Benefits and Appraisals

Land trusts work diligently to see that every charitable gift of land or conservation easement meets federal and state tax law requirements and to defend against fraudulent transactions.

Practices

A. Landowner Notification

1. Inform potential land or conservation easement donors who may claim a federal or state income tax deduction (or state tax credit), in writing and early in project discussions, that:
   a. The project must meet the requirements of IRC §170 and the accompanying Treasury Department regulations and/or any other federal or state requirements
   b. The donor is responsible for any determination of the value of the donation
   c. The IRC requires a qualified appraisal prepared by a qualified appraiser for gifts of property valued at more than $5,000
   d. The donor must use a qualified appraiser who follows Uniform Standards of Professional Appraisal Practice
   e. The land trust will request a copy of the completed appraisal

2. Do not make assurances as to:
   a. Whether a particular land or conservation easement donation will be deductible
   b. What monetary value of the gift the IRS and/or state will accept
   c. What the resulting tax benefits of the deduction will be

B. Legal Requirements: Land Trust Responsibilities

1. Meet the requirements for a qualified organization under IRC §170(h) if the land trust holds federally tax-deductible conservation easements

2. Sign the Form 8283 only if the information in Section B, Part I, “Information on Donated Property,” is complete and is an accurate representation of the gift
   a. Refuse to sign the Form 8283 if the land trust believes no gift has been made or the property has not been accurately described

3. File a Form 8282 regarding resale of donated property, when applicable

C. Defending Against Fraudulent Transactions

1. Review each transaction for consistency with federal and state income tax deduction requirements, especially the conservation purposes test of IRC §170(h)

2. Review and evaluate the Form 8283 and any appraisal to determine whether the land trust has substantial concerns about the appraised value or whether the appraisal meets the Treasury Department regulations

3. Discuss substantial concerns about the appraisal or other terms of the transaction with legal counsel and take appropriate action, such as
   a. Sharing those concerns in writing with the donor
   b. Seeking additional substantiation of value
   c. Withdrawing from the transaction prior to closing
   d. Refusing to sign the Form 8283
Standard 11: Conservation Easement Stewardship

Land trusts have a program of responsible stewardship for their conservation easements.

Practices

A. Funding Conservation Easement Stewardship
   1. Track stewardship and enforcement costs
   2. Determine the long-term stewardship and enforcement expenses of each conservation easement transaction

B. Baseline Documentation Report
   1. Have a baseline documentation report, with written descriptions, maps and photographs, for every conservation easement that documents:
      a. The conservation values protected by the easement
      b. The relevant conditions of the property as necessary to monitor and enforce the easement
   2. Prepare the report prior to closing and have it signed by the landowner and land trust at or prior to closing
      a. In the event that seasonal conditions prevent the completion of a full baseline documentation report by closing, the landowner and land trust sign a schedule for finalizing the full report and an acknowledgement of interim data [that for donations and bargain sales meets Treasury Regulations §1.170A-14(g)(5)(i)] at closing
   3. Prepare a supplement to the baseline or a current conditions report, signed by the landowner and the land trust, when there are significant changes to the land or the conservation easement, such as a result of an amendment or the exercise of a permitted right.

C. Conservation Easement Monitoring
   1. Adopt a written policy and/or procedure for monitoring conservation easements that establishes consistent monitoring protocols
   2. Monitor easement properties at least annually
   3. If the land trust uses aerial monitoring, conduct on-the-ground monitoring at least once every five years
   4. Contemporaneously document the annual monitoring activities for each conservation easement

D. Landowner Relationships
   1. Maintain regular contact with owners of conservation easement properties to maintain relationships and avoid potential easement conflicts
   2. Use systems to track changes in land ownership
   3. When the property changes hands, attempt to meet with the new owner or property manager and provide information in writing about the conservation easement’s existence and restrictions and the land trust’s stewardship policies and procedures

E. Conservation Easement Enforcement
   1. Adopt a written policy and develop written procedures for documenting and responding to potential easement violations that describes the role of all parties
   2. Investigate and contemporaneously document any actions taken to address, in a timely manner, potential violations
3. Involve legal counsel as appropriate to the severity of the violation and the nature of the proposed resolution

F. Approvals and Permitted Rights
1. Develop a written procedure for responding to landowner required notices or requests for interpretation or approvals in a timely and consistent manner
2. Use a system to track notices, approvals and the exercise of any significant permitted rights
3. If using discretionary approvals, or if conservation easement documents contain these clauses, adopt written policies or procedures to guide decision making

G. Contingency Plans/Backups
1. Develop a contingency plan for all conservation easements in the event the land trust ceases to exist or can no longer steward and administer them
2. If a backup grantee is listed in the conservation easement, secure prior written consent of the backup grantee to accept the easement
3. To ensure that a backup or contingency holder will accept a conservation easement, have stewardship and enforcement funds available for transfer

H. Amendments
1. Adopt a written policy or procedure addressing conservation easement amendments that includes the Land Trust Alliance Amendment Principles and describes the roles of all parties
2. Use a high level of due diligence to evaluate all amendment proposals

I. Condemnation
1. In the event of proposed condemnation,
   a. Take appropriate action to attempt to prevent a net loss of conservation values
   b. Have or obtain appropriate documentation of the percentage of the full value of the property represented by the conservation easement
   c. Document the land trust’s attempts to receive its proportional share of the proceeds and use any proceeds in a manner consistent with the conservation easement purposes

J. Partial or Full Extinguishment
1. In the rare case when it is necessary to extinguish a conservation easement, in whole or in part,
   a. Follow the terms of the conservation easement with respect to taking appropriate action, including obtaining judicial review when specified
   b. Ensure there is no private inurement or impermissible private benefit
   c. Prevent a net loss of important conservation values or use any proceeds in a manner consistent with the conservation easement purposes
   d. Consider the land trust’s actions in the context of its reputation and the impact on the conservation community at large
2. If a de minimis extinguishment is used to correct or adjust conservation easement boundaries, such as to remedy disputes or encroachment, document the land trust’s actions and meet the terms of J.1. above
Standard 12: Fee Land Stewardship

*Land trusts have a program of responsible stewardship for the land held in fee for conservation purposes.*

**Practices**

A. Funding Land Stewardship
   1. Track costs associated with long-term land management, stewardship and enforcement of conservation properties
   2. Determine the immediate and long-term financial and management implications of each land transaction

B. Land Management and Stewardship
   1. Develop a written land management plan for each conservation property prior to or within 12 months after acquiring the land to:
      a. Identify the property’s conservation values, including any significant cultural and natural features
      b. Identify the overall management goals for the property
      c. Identify activities to achieve the goals and to reduce any risks or threats to the conservation values
      d. Identify public access opportunities as appropriate to the property and the land trust’s mission
      e. Specify the uses that are appropriate for the property in keeping with the property’s conservation values, any restrictions and donor or funder requirements
   2. Manage each property in accordance with its management plan
   3. Perform administrative duties (such as paying insurance, filing required forms, keeping records) in a timely and responsible manner

C. Inspecting Land Trust Properties
   1. Physically mark the boundaries of land trust properties
   2. Inspect properties at least annually for potential management problems and contemporaneously document the inspection
   3. Address management problems, including encroachments, trespass and other ownership challenges, in an appropriate and timely manner and document the actions taken

D. Contingency Backup
   1. Develop a contingency plan for all conservation land in the event the land trust ceases to exist or can no longer manage the property

E. Condemnation
   1. In the event of condemnation, document the land trust’s actions to mitigate any loss of conservation values