

Land Trust 
Accreditation Commission
An independent program of the Land Trust Alliance

September 10, 2015

John Smith
Green Acres Land Trust
100 South St
Green Valley, ST 00000

Re: Accreditation Conference Call with Review Team

Dear John:

Thank you for being part of the accreditation program. Commissioner Larry Kueter and I are the review team for your application, and we look forward to talking with you and others on your accreditation team on our upcoming call.

We really enjoyed reading about your organization and learning about your work. Thank you for all the time you spent putting together the application. No matter how much information goes in the application though, it is hard to capture all you do on paper. The call gives us a chance to talk with you about questions we had after reading the application. We expect many of our questions can be easily answered during the call.

We will start the call with introductions and then Larry will guide us through the call. It is helpful to have board members and staff on the call who are familiar with the topics outlined in the attached discussion summary. It generally takes about two hours to talk through the discussion summary. You do not need to prepare written answers or do extensive research in advance of the call.

Your answers on the call will help clarify any additional information that is needed. I will email you a letter in a few weeks outlining the additional documents or action steps needed for us to continue our review. I will take notes and track these during our call. We record the calls to ensure our notes are accurate and to help keep track of any information we need following the calls, but we do not keep the recording in our permanent files.

On behalf of the Commission, thank you for your commitment to excellence and to building public trust in land conservation. Please let me know if you have any questions before the call.

Sincerely,

Greg Good
Review Specialist

P.S. Short biographies of commissioners and staff are available on our [website](#).



The Commission awards the accreditation seal to community institutions that meet national quality standards for protecting important natural places and working lands forever.

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**Accreditation Application Call
Indicator Practices Discussion Summary
Green Acres Land Trust
Accreditation Applicant Conference Call with Commission Review Team
Friday, September 17, 2015 at 12:00 p.m. Pacific
(3:00 p.m. Eastern, 2:00 p.m. Central, 1:00 p.m. Mountain)**

Sample Land Trust Call Agenda – represents more examples than are typically found in a call agenda

Introduction

We have learned a great deal about Green Acres Land Trust (Land Trust), its history and progress over the years, and its conservation work. If there have been any major changes in programs or staffing since you submitted your application, please take a moment to let us know.

2A. Compliance with Laws

The application appeared to indicate that the organization is operating in Texas, but there was no indicate that the organization complies with out-of-state corporate registration requirements applicable in that state. How does the organization comply with out-of-state corporate registration requirements applicable in Texas?

2B. Nonprofit Incorporation and Bylaws

We noted that your bylaws allow officers to be compensated if authorized by the board. 1) Under what circumstances would the Land Trust consider giving an officer compensation? 2) Has the Land Trust ever compensated its president or treasurer?

2C. Tax Exemption

The application did not clearly indicate that the organization's Form 990 is complete and accurate. We noted the organization did not report its donated conservation easements and fee lands on the Schedule M.

Please describe the process the organization uses to review its Form 990 to ensure it is complete and accurate before it is filed with the Internal Revenue Service.

3F. Board Approval of Land Transactions

We note that final approval to accept the ABC property was done via e-mail, however the bylaws do not allow for an e-mail vote. Is the use of e-mail communications to vote on transactions described in any board-approved policy or procedure?

Please describe what information is provided to the board prior to its decision to grant final approval on a project.

4A. Dealing with Conflicts of Interest

With respect to contracting for services from companies directly connected with insiders, please describe how compensation rates for these services are determined and documented.

5A. Legal and Ethical Practices

Per your application materials, the Land Trust has received donations from individuals residing outside of the states in which it is registered. Please describe how the Land Trust determines where it must register for charitable solicitation purposes.

6B. Financial Records

Please describe how the Land Trust determines whether a stewardship contribution should be designated in some way as unrestricted, temporarily restricted or permanently restricted.

We note that the Stewardship Endowment principal can be spent on conservation easement defense. Please describe how the Land Trust informs landowners that the principal of their gift may be spent on defending an easement even though they have contributed to what is described as an endowment.

6D. Financial Review or Audit

Thank you for providing the April 2015 letter from your auditing firm. We would like an update on your progress in implementing the recommendations she made.

7A. Capacity

We would like to better understand planning and evaluation at the Land Trust. Please describe in more detail how you evaluate your programs and conduct work planning.

8B. Project Selection and Criteria

We would like to better understand the project selection process at the Land Trust and how conservation values are documented. Please describe on the call how and when your Project Selection Criteria Form is completed.

The Land Trust accepted the transfer of two conservation easements from XYZ Conservancy in 2014. Please discuss how the Land Trust reviewed these projects against the project selection criteria it had in place at the time.

9E. Easement Drafting

Your template easement includes a requirement that the landowner receive 30-days written notice before the Land Trust can take action to remedy, abate or otherwise enforce any violation. Have you considered whether there might be any circumstance when you would want to take immediate action?

Please describe how the Land Trust ensures that its easements allowing surface mineral extraction are in keeping with Treasury Regulations, even when gravel is intended to be used on-site.

9G. Recordkeeping

We note that your original transaction and stewardship documents are stored in a private residence. Please tell us a little more about this location including where it is, how often you ship documents to it, and how documents stored there are protected. Also, please describe how you determined that these originals are protected from unauthorized access.

9H. Title Investigation and Subordination

We noted that the Land Trust did not have a past practice of investigating title before acquiring properties. Please describe how the Land Trust now ensures that it is working with the legal owner(s) of the property, that it has an accurate and defensible legal description of the property and that it has identified any encumbrances or matters of record that may affect the transaction. Are the Land Trust's title investigation practices the same with respect to donated and purchased properties?

In the XYZ project there was a six-week gap between the title report date and the date the easement was recorded. Please describe how the Land Trust ensured that no new encumbrances were placed on the property during that six-week period.

9J. Purchasing Land

We note that your policy for purchasing land and easements allows for the use of a letter of opinion in certain circumstances rather than an appraisal. Have there been any instances where you determined that a letter of opinion was sufficient?

10B. Appraisals

Please describe how the Land Trust informs landowners about the requirements an appraisal for tax purposes must meet, including the timing of the appraisal, and that the Land Trust will not knowingly participate in a transaction where it has significant concerns about the tax deduction.

We would like to better understand how you review appraisals and Forms 8283 when landowners claim tax benefits for their easement donations. In general, what is your process for determining whether there are aspects of the appraisal or tax deduction that give rise to significant concerns?

11A. Funding Easement Stewardship

The Land Trust's stewardship funding plan strategy relies on securing \$X in a planned fundraising campaign. Please describe any specific strategies with timelines that have been developed to meet this goal over the next five years.

We understand that you request a stewardship contribution that is equal to one percent of the appraised value of the conservation easement. Please describe how you determined that this amount is adequate to cover your future easement costs. If a landowner retains a number of

rights that might result in increased stewardship or defense costs, is there flexibility in the current contribution policy to cover such costs?

11B. Baseline Documentation Report

We note that your easements allow the baseline documentation report to be completed up to six months after closing. Please describe your policy for the timing of the completion of baseline documentation reports, and in general how often you need to complete your baselines after closing. When these situations occur, how do you ensure that the IRS requirements are met with respect to documentation of the conditions of the property at closing?

11C. Easement Monitoring

Please describe a typical easement monitoring visit. How does this apply to your larger easements?

11E. Enforcement of Easements

In the application questionnaire, you described a violation that remained unresolved at the time of application. Please update us on the resolution of the violation. What is the next step, if it remains unresolved at this time?

11I. Amendments

We would like to better understand how amendment requests are responded to in your organization. Please describe how landowner requests for an amendment are evaluated, and when the board becomes involved.

12A. Funding Land Stewardship

We note that the Land Trust uses the same calculation to determine its expenses for its fee properties as it does for its easements. Please describe how the Land Trust determined that the calculation is also representative of the true costs of owning a fee property.

12C. Land Management

Please describe when the Land Trust typically prepares a management plan or management summary for the properties it acquires in fee. In general, what information does the Land Trust have in place at closing until a formal management plan is completed?

12D. Monitoring Land Trust Properties

Thank you for describing how the Land Trust monitors activity on each of its fee properties. Do you have plans to add formal monitoring reports to your management of your fee properties?

Next Steps

The next step in the accreditation process is for us to email you a letter with an additional information request a few weeks after the call. This will outline any additional documents or action steps that are needed to continue our review of your application.

One of the items we will ask for is a [time tracking form](#) or an estimate of how much time your organization spent on the application process, if your team kept track. This helps us provide better information for land trusts and know if our program improvements are working.

The letter will include the specific deadline for providing the materials, but you can generally expect that you will need to send in your response by early December. We anticipate the Commission will have a decision for you early March.

Final Thoughts

Before we close the call there will be time for you to ask questions about next steps or to provide the review team with feedback about the accreditation process. Your feedback helps improve the program. Your land trust will also have an opportunity to complete a survey once you have completed the process.

Once again, thank you for participating in the land trust accreditation program.
We appreciate your time and your commitment to excellence.

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