FIRST-TIME APPLICATION

REFERENCE COPY

Preliminary Information

Land Trust Description
1. Provide a brief (3-5 paragraph) description of your land trust. Include the following:
   • A short description of your land trust, its mission and its programs.
   • Information about your land trust’s land conservation work, including any work it does beyond holding conservation easements or conservation fee properties (such as holding third-party enforcement rights, holding mineral or water rights, protecting historic buildings, working through agreements to manage properties held by others).
   • A summary of your land trust’s major accomplishments or proudest achievement.
2. Comments about the value of accreditation and any challenges related to the application process, if any.

Land Trust Update
3. Does your land trust need to correct the Land Conservation Project List it submitted in its pre-application?
   □ yes  □ no
   ▪ If yes, provide an updated Land Conservation Project List

4. Is your land trust a member of the Land Trust Alliance?
   □ yes  □ no
   ▪ If no, provide a board resolution adopting the 2017 Land Trust Standards and Practices

5. Does your land trust have any significant changes or corrections to make to the Schedule of Dedicated and Restricted Funds it submitted in its pre-application?
   □ yes  □ no
   ▪ If yes, provide a revised Schedule of Dedicated and Restricted Funds
   ▪ Documentation of stakeholder notification of public comment period

NOTE: Basic-Level Related Entity Provides This Information as Part of Application (if applicable)
   ▪ Land Conservation Project List (download template)
Statement describing the nature and purpose of the relationship between the primary organization and the related entity

Written documentation that provides evidence of which organization has the responsibility for stewardship of the conservation fee properties or conservation easements

Articles of Incorporation

Current bylaws or operating agreements

List of current members

Schedule of Dedicated and Restricted Funds, if the related entity holds funds (download template)

NOTE: Intermediate-Level Related Entity Completes an Application in Addition to This Supplemental Information (if applicable)

Statement describing the nature and purpose of the relationship between the primary organization and the related entity

Statement describing how it is determined which entity takes a particular project

Evidence documenting any shared compliance for the governance and/or finance requirements (such as memorandum of agreement, attestation, board resolution)

Description of how money, if any, is transferred from one organization to the other and how this is tracked

If the related entity relies on the primary organization for covering expenses related to conservation easement or conservation fee property stewardship and defense, then a written agreement that formalizes this cost-sharing role

Governance

Application Questions

1. Number of board meetings in the last 12 months with quorum: _____

2. Does your land trust employ staff?
   □ yes □ no

   2a. If the land trust has staff: Describe a) the board’s process for evaluating the performance of the chief staff person and b) the date of the most recent evaluation.

3. Is your land trust in “good standing” in the state it was incorporated?
   □ yes □ no

   If no, include G9.
4. Describe the procedures for a) recruiting board members and b) training new board members.

5. Describe how the board established the strategic goals or strategic plan and the date the board last reviewed them.

6. Did your land trust have an instance when it was not able to show compliance with the requirements in the Governance section in its recent work?
   □ yes □ no
   If yes, include G10.

Application Documents
G1. Signed and dated Board Resolution (download template)
G2. Articles of incorporation (or similar document such as articles of trust, corporate charter)
G3. Current bylaws
G4. List of board members and board biographies
G5. For the most recent board meeting, a) meeting materials (such as a meeting agenda, minutes of the previous meeting, and information materials for decision items on the agenda) along with date materials sent and b) corresponding board-adopted minutes
G6. Strategic goals or strategic plan
G7. Board-adopted Records Policy
G8. Board-adopted Conflict of Interest Policy
G9. If your land trust is not in "good standing“ in the state it was incorporated: Statement and/or other related documents explaining a) the circumstances, b) how your land trust is addressing the circumstances and c) when the land trust expects to be reinstated in “good standing”
G10. If your land trust has an instance when it was not able to show compliance with the requirements in the Governance section in its recent work: Statement and/or related documentation explaining a) the circumstances, b) the alternative steps your land trust took to meet the intent of the requirement and/or mitigate risks associated with the non-compliance and c) how your land trust typically complies with the requirement (The Commission will review the information to determine if the instance was isolated and rare and risks were reasonably mitigated.)

Finance

Application Questions
1. Has your land trust amended its Form 990 (or Form 990-EZ or Form 990-N) or filed a new one since submitting its pre-application?
   □ yes □ no
2. Did the correspondence that accompanied the most recent audit, review, or compilation of your land trust’s financial statements indicate that significant changes should be made to your land trust’s financial procedures?
   □ yes □ no
   If yes, include F3a.

3. Did your land trust expend more than $750,000 in federal dollars and obtain a “Single Audit” within the past three years?
   □ yes □ no
   If yes, include F4.

   3a. Did the findings that accompanied the “Single Audit” indicate significant changes should be made to your land trust’s financial procedures?
   □ yes □ no
   If yes, include F4a.

4. Did your land trust have an operating surplus at the end of its last fiscal year?
   □ yes □ no
   If no, include F15.

5. Did your land trust have sufficient operating reserves at the end of its last fiscal year to cover at least three months of operating expenses?
   □ yes □ no
   If no, include F16.

6. Does your land trust have the necessary board-designated or restricted conservation easement stewardship funding ($3,500 per conservation easement)?
   □ yes □ no

7. Using the results from your land trust’s Legal Defense Fund Reserves Calculator submitted in the pre-application, does your land trust have the necessary board-designated or restricted defense funding?
   □ yes □ no
If no to either, include F17.

8. Do the board designated and restricted net asset classifications in the land trust’s most recent financial audit, review or compilation reconcile with the classifications on the Schedule of Dedicated and Restricted Funds (SDRF)?
   ☐ yes  ☐ no

If no, include F18.

9. Did your land trust have an instance when it was not able to show compliance with the requirements in the Finance section in its recent work?
   ☐ yes  ☐ no

If yes, include F19.

Internal Controls Certification*
I, [NAME], [TITLE], on [DATE] certify that [LAND TRUST NAME] has written internal financial controls and accounting procedures in place and that these controls are periodically tested to ensure they are effective.
(If you are completing this certification and are not the board chair or executive director, please indicate the date you received authorization from the board chair or executive director to complete this certification: [DATE])
*
Read more about internal controls

Application Documents
F1. If your land trust has an updated or new Form 990: Form 990 (or Form 990-EZ or Form 990-N) with all schedules and statements
F2. Audited, reviewed or compiled financial statements for last three fiscal years
   ☐ If an audit, review or compilation was not completed for all three years: a balance sheet that shows unrestricted, board-designated, and restricted net assets and statement of activities for each missing year
F3. Management letter and related correspondence that accompanied the most recent audit, review or compilation
   F3a. If the management letter indicates significant changes should be made to your land trust’s financial procedures: Statement describing the actions taken to address the recommended changes
F4. If your land trust expended more than $750,000 in federal dollars and obtained a “Single Audit” for any of the last three fiscal years: Schedule of Findings from most recent federal “Single Audit”
   F4a. If the findings indicate significant changes should be made to your land trust’s financial procedures: Statement describing the actions taken to address the recommended changes
F5. Budget for the current fiscal year
F6. Most recent financial reports provided to the board, including a statement of financial position (balance sheet) and a statement of activities (budget-to-actual report)

F7. Minutes from the following board meetings:
   a) When the budget submitted in F5 was approved
   b) When the financial reports submitted in F6 were discussed
   c) When the results of the most recent audit, review or compilation were presented

F8. Documentation of the business process system your land trust follows when a) soliciting and accepting restricted gifts/grants, b) determining restrictions on gifts/grants, c) documenting donor restrictions and d) tracking receipt of and expenditures from restricted gifts/grants to comply with donor restrictions (such as policies/procedures for determining gift restrictions or whether an expense can be applied against a gift/grant, applicable sections from your land trust’s accounting manual)

F9. The a) solicitation and b) signed acknowledgement for a recent conservation easement or conservation fee property stewardship or defense gift/grant
   o If your land trust does not have recent documentation: Statement of that fact and a solicitation/acknowledgement for general funds

F10. The a) solicitation and b) signed acknowledgement for a recent restricted gift/grant (such as a property acquisition, special project, capital campaign)
   o If your land trust does not have recent documentation: Statement of that fact and a solicitation/acknowledgement for general funds

F11. A statement that responds to the following questions:
1. What are your land trust’s greatest risks related to misuse of funds (theft, fraud, and/or misappropriation)?
2. What are your land trust’s greatest risks related to misstatement of funds (errors in reporting or presentation of financial statements)?
3. What are your land trust’s greatest risks related to making sure board-designated and donor-restricted funds are used appropriately?
4. Describe how your land trust’s internal controls or accounting procedures manage risks associated with the payment of expenses for individuals who have access to checkbooks, bank accounts or investment accounts (or in lieu of a written answer attach the supporting documentation [excerpts or annotations] in F12).
5. If your land trust has staff, how does the board manage risks associated with setting compensation for its executive director or chief staff officer?

F11a. Excerpts from or an annotated version of your internal controls or accounting procedures that address the risks your land trust identified in F11, 2, and 3.

F12. Certificate of general liability insurance or equivalent documentation (such as premium summary, declarations page or other summary page)

F13. Dated evaluation of insurance needs by board or delegated entity (such as board or committee meeting minutes, analysis of insurance needs by delegated staff member, recommendations from insurance provider given to the board)

F14. If your land trust did not have an operating surplus at the end of the last fiscal year:
   Statement from a board officer or executive director explaining the reason for the deficit

F15. If your land trust did not have operating reserves to cover three months of operating expenses at the end of the last fiscal year: Report from the board of its evaluation of
operating reserve needs and its plan to address the needs (such as a plan that includes specific funding targets, specific strategies with timelines to meet the funding targets)

F16. If your land trust does not have the full amount of required board-designated or restricted stewardship and/or defense funds: Stewardship and/or defense funding plan (such as a plan that includes specific funding targets, specific strategies with timelines to meet the funding targets by the time of first renewal and a description of any new policies or procedures that will be implemented to carry out the plan)

F17. If the board-designated and restricted net asset classifications in the audit, review or compilation do not reconcile with the classifications on the SDRF: Annotated balance sheet or explanation reconciling the SDRF with the financial statements

F18. If your land trust has an isolated or rare instance when it was not able to show compliance with the requirements in the Finance section in its recent work: Statement and/or related documentation explaining a) the circumstances, b) the alternative steps your land trust took to meet the intent of the requirement and/or mitigate risks associated with the non-compliance and c) how your land trust typically complies with the requirement (The Commission will review the information to determine if the instance was isolated and rare and risks were reasonably mitigated.)

Transactions

Application Questions
1. Does your land trust delegate final conservation project approval rather than have the full board approve each project?
   □ yes  □ no

   If yes, include T2.

2. Has your land trust purchased a conservation easement or conservation fee property in the past five years?
   □ yes  □ no

   If yes, include T3.

3. Has your land trust paid more than appraised value when purchasing a conservation fee property or conservation easement in the past five years? If yes, how many times? _____
   □ yes  □ no

   If yes, include T4.

4. Does your land trust have and use a conservation easement template?
   □ yes  □ no
5. Does each of your land trust's baseline documentation reports include the following required contents?
   - Date of completion
   - Written descriptions, maps and photographs that document the following:
     - Protected conservation values
     - Relevant conditions of the property as necessary to monitor and enforce the conservation easement
   - Acknowledgement attesting to the accuracy of the report signed by the following:
     - Land trust
     - Landowner, for all easements completed in 2004 or later (or documented attempt to obtain signature)

   □ yes  □ no

If yes, include T5.

If no, include T6.

6. In the past five years, has your land trust had projects where the landowner took a tax deduction?
   □ yes  □ no

If yes, include T7.

7. Does your land trust plan to close on one or more conservation easements or conservation fee property transactions in the next year?
   □ yes  □ no

8. Describe your land trust's recordkeeping practices:
   a. How originals (paper or electronic) are kept in a secure manner (such as in a locked cabinet with limited access, in an archive facility with permission needed for access)
   b. How originals (paper or electronic) are protected from damage or loss (such as in a fireproof safe, a bank vault, an archive facility with sprinklers)
   c. How originals and copies are stored in a way so both are not destroyed in a single calamity (such as paper originals and duplicates being stored in separate locations, electronic duplicates backed up on a remote server or the cloud)

9. Complete the online chart and indicate where the land trust's records are located.

<table>
<thead>
<tr>
<th>Document</th>
<th>Location of Original</th>
<th>Location of Duplicate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal agreements, deeds, conservation easements, amendments</td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>Critical correspondence, including those related to project goals, tax and legal matters, enforcement, other matters essential to the project</td>
<td></td>
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<tr>
<td>Baseline documentation reports (for conservation easements)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Title insurance policies or evidence of title investigation <em>(Note: only title insurance policies are required to be duplicated)</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surveys, if any <em>(Note: only unrecorded surveys are required to be duplicated)</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conservation easement stewardship records, including substantive notices, approvals, denials, interpretations, exercise of significant permitted rights</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Conservation easement monitoring reports</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Appraisals used to substantiate the purchase price or used by the landowner to substantiate the value on the Form 8283</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Forms 8283</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Conservation fee property inspection records</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Contracts and leases in effect for long-term land management activities</td>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>

10. Did your land trust have an instance when it was not able to show compliance with the requirements in the Transaction section in its recent work?
   □ yes □ no

   If yes, include T8.
Application Documents

T1. Project Selection Criteria

T2. If the full board does not approve each conservation fee property and conservation easement transaction: Delegation of Transaction Approval Policy (or bylaw provisions)

T3. If your land trust purchased a conservation fee property or conservation easement in the past five years, for the most recent purchase or bargain sale conservation transaction:
   a) Independent appraisal (or letter of opinion) used to substantiate the purchase price
   b) Purchase price documentation (such as purchase and sale agreement, engagement letter, closing statement)

T4. If your land trust paid above appraised value for a conservation fee property or conservation easement in the past five years: Evidence justifying the purchase price for the most recent transaction purchased at above appraised value and documentation that there was no private inurement or impermissible private benefit (such as with contemporaneous trend data for market appreciation, range of value of similar purchases, market factors not covered in the appraisal)

T5. If your land trust uses a conservation easement template: Conservation easement template

T6. If any of your land trust’s baseline documentation reports do not contain the required contents: Plan for updating baseline documentation reports (such as a plan that includes a summary of which baseline documentation reports need updates, specific timeline for the updates so they are complete by the time of first renewal, description of how your land trust will carry out the plan)

T7. If your land trust completed projects where a landowner took a tax deduction in the past five years: Template for written donor notification of tax code requirements (or most recent example) along with statement of when the notification is typically provided

T8. If your land trust has an isolated or rare instance when it was not able to show compliance with the requirements in the Transactions section in its recent work: Statement and/or related documentation explaining a) the circumstances, b) the alternative steps your land trust took to meet the intent of the requirement and/or mitigate risks associated with the non-compliance and c) how your land trust typically complies with the requirement (The Commission will review the information to determine if the instance was isolated and rare and risks were reasonably mitigated.)

Stewardship

Application Questions

1. Does your Land Conservation Project List include one or more conservation easements?
   □ yes □ no

   If yes, include S1, S2, S3, and S4.

2. Do each of your land trust’s management plans include the following required contents?
• Identification of conservation values
• Management goals
• Activities to achieve management goals

☐ yes  ☐ no

If no, include S5.

3. Did your land trust have an instance when it was not able to show compliance with the requirements in the Stewardship section in its recent work?

☐ yes  ☐ no

If yes, include S6.

Application Documents
S1. Conservation Easement Violation Policy and/or Procedures
S2. Conservation Easement Amendment Policy and/or Procedures
S3. Recent example of how your land trust documented (such as with a monitoring report, baseline supplement or current conditions report) a significant change to the land covered by a conservation easement (such as resulting from natural disaster or exercise of a permitted right) or change to the conservation easement (such as resulting from an amendment)
   o If your land trust had no such changes to document within the past five years:
     Statement of that fact and a statement of how it would document such changes in the future.
S4. Recent example of your land trust’s conservation easement stewardship records related to a notice, approval, denial, substantive interpretation, or the exercise of a significant permitted right. Include the conservation easement deed, the landowner’s request/notice and your land trust’s response to the landowner (such as a landowner’s notice to the land trust of the intent to build a permitted barn, the land trust’s correspondence with a landowner denying a requested activity be allowed on the property).
   o If your land trust has had no such activities to document within the past five years:
     Statement of that fact and a statement of how it would document such activities in the future.
S5. If any of your land trust’s management plans do not contain the required contents: Plan for updating management plans (such as a plan that includes a summary of which management plans need updates, specific timeline for the updates so they are complete by the time of first renewal, description of how your land trust will carry out the plan)
S6. If your land trust has an isolated or rare instance when it was not able to show compliance with the requirements in the Stewardship section in its recent work: Statement and/or related documentation explaining a) the circumstances, b) the alternative steps your land trust took to meet the intent of the requirement and/or mitigate risks associated with the non-compliance and c) how your land trust typically complies with the requirement (The
Commission will review the information to determine if the instance was isolated and rare and risks were reasonably mitigated.)