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*The Commission awards the accreditation seal to land conservation organizations that meet national standards for excellence, uphold the public trust and ensure that conservation efforts are permanent.*

# Guidance Document

## Indicator Practice 10B. Appraisals

*The Land Trust Accreditation Commission occasionally publishes Guidance Documents to clarify how the Commission will evaluate a land trust's compliance with indicator practices drawn from Land Trust Standards and Practices. These documents may be amended from time to time. Guidance Documents are intended to complement information provided by the Land Trust Alliance on how to implement the practices that can be found at <http://learningcenter.lta.org>.*

### Elements of the Practices

The Land Trust Accreditation Commission will evaluate applicant land trusts to see if they are meeting each of the elements of this practice.

- The applicant has documentation that landowners are notified (preferably in writing) of the following.
  - That the donor must satisfy the appraisal requirements of the Internal Revenue Code, and information is provided on the appraisal requirements, including the timing of the appraisal (not earlier than 60 days prior to the date of contribution and no later than the due date for the tax return on which the deduction is first claimed; however, regardless of when the appraisal is made, it must reflect the value of the easement on the date of the conveyance), donor responsibilities and that the donor should use a qualified appraiser who follows Uniform Standards of Professional Appraisal Practice.
  - That the land trust will request a copy of the appraisal.
  - That the land trust will not knowingly participate in a project if it has significant concerns about the tax deduction.

#### Landowner Notification

The land trust must be able to demonstrate that it notifies the landowner of all the elements identified above.

### Indicator Practice 10B. Appraisals

The land trust informs potential land or easement donors (preferably in writing) of the following: IRC appraisal requirements for a qualified appraisal prepared by a qualified appraiser for gifts of property valued at more than \$5,000, including information on the timing of the appraisal; that the donor is responsible for any determination of the value of the donation; that the donor should use a qualified appraiser who follows Uniform Standards of Professional Appraisal Practice; that the land trust will request a copy of the completed appraisal; and that the land trust will not knowingly participate in projects where it has significant concerns about the tax deduction.

*Excerpted from Land Trust Standards and Practices*

Documentation of this notification may take a variety of forms. The preferred format is either a written communication specific to the individual landowner or standard written materials or publications that are provided to the landowner along with written documentation of when the landowner was provided with the materials. In limited

circumstances, if the land trust has a written policy or checklist that requires verbal rather than written notification and the applicant is able to provide evidence (such as internal memoranda documenting a meeting or a phone call) that this notification occurred along with a copy of its policy, this combination may be used to provide evidence of landowner notification.

The Commission recognizes that this practice from *Land Trust Standards and Practices* has evolved over time, and that older projects may not have this form of documentation. The Commission will look for examples of how the applicant works with current donors in its review of the application. If an accredited land trust submits an application for renewal of its accredited status, the Commission will look for documentation of this practice throughout the accreditation term.

#### Documents Reviewed

In addition to ensuring that applicants are providing the required notification to landowners, the Commission reviews the Form 8283 and appraisal for certain land and easement donations received by an applicant to see whether the Form 8283 is complete and whether the two documents are consistent. With respect to the appraisal, the Commission looks to see that the appraisal meets the requirements of the Treasury Regulations, including those items listed in the checklist on pages 210-211 of the Land Trust Alliance's curriculum course, *Tax Benefits and Appraisals of Conservation Projects*.

#### **For more information**

Visit the Land Trust Alliance's complete online resource, The Learning Center, <http://learningcenter.lta.org> for more information on implementing this practice. See especially the Standards and Practices Curriculum course *Tax Benefits and Appraisals of Conservation Projects*.

Visit [www.landtrustaccreditation.org](http://www.landtrustaccreditation.org) or call 518-587-3143 for more information on the accreditation program.