

Obtaining a financial evaluation each year (annually) gives your board reliable information to meet its oversight responsibilities as a nonprofit. *Land Trust Standards and Practices* and the accreditation requirements recognize three types of financial evaluations: compilation by a certified public accountant (CPA) or independent qualified accountant; review by an independent CPA or an audit by an independent CPA. Each has its own benefits and costs.



Which type of evaluation your organization is required to obtain each year is based on your total annual support and revenue for that year. (For accreditation purposes, the value of donated properties or conservation easements is not considered support and revenue. But support and revenue *does* include money received from grants, from special fundraising efforts, and/or for the purchase of land and easements.)

For many small organizations, a compilation is the most appropriate type of evaluation. As of 2021, the Commission has recognized that an annual financial compilation is sufficient for organizations with less than \$250,000 in annual support and revenue. This change is outlined in the [2021 Summary of Changes publication](#), which was published alongside the updated [2021 Requirements Manual](#).

The Commission created the requirements to have a fair and credible accreditation program, regardless of where an organization is located. The requirements are set so that an annual financial evaluation is realistically obtainable for organizations of different sizes and capacities. An accredited land trust must obtain the appropriate financial evaluation each year throughout its accredited term, not just the year it applies for renewal.

To learn more about the External Financial Evaluation requirement, the Alliance has several resources available on The Learning Center (make sure to log-in to The Learning Center before clicking on the links).

- A detailed [narrative for practice element 3A2\(d\)](#)
- A detailed [narrative for practice element 6C1](#)
- A 15-minute course on [obtaining an annual financial audit, review or compilation](#)

Questions? Please contact the Commission at info@landtrustaccreditation.org