

In spring of 2021, the Commission released an updated version of the *Requirements Manual* and a document outlining the changes. Some of the changes begin to take effect in 2022. Each month we will be highlighting a change, why we made it and why it is important. **This month we're looking at an update to a transaction requirement.**



V.4. Land trust evaluates each transaction and takes actions to resolve substantial concerns⁷ with the appraisal, appraised value or other terms of the transaction to ensure the land trust does not knowingly participate in potentially fraudulent or abusive transactions, including the following:

- a. Involving legal counsel as appropriate
- b. Taking appropriate action including one or more of the following: documenting concerns were shared with the donor, seeking an independent substantiation of value, withdrawing from the transaction prior to closing, asking to see the landowner's appraisal prior to closing, documenting the board's decision to proceed with the transaction and/or with signing the Form 8283, refusing to sign the Form 8283
- c. Signed the Form 8283 only when a gift was received

(⁷If the title investigation or other documentation shows the property has been held for a short period, the landowner appears to have inflated expectations for the value of the donation, the appraised value does not appear defensible in light of the land trust's knowledge of local land values, the appraisal appears to contain unjustified extraordinary assumptions, the appraised value is significantly in excess of the donor's cost or adjusted basis [if recent].)

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Why is it important?

Most conservation transactions that involve a tax deduction do not raise

the types of concerns addressed in this requirement. However, the public's impression of land trusts and support for private land conservation is affected by their perception of the integrity of conservation transactions. While the Internal Revenue Service does not hold land trusts responsible for the tax deductions claimed by a landowner, land trusts have an obligation to help minimize misuse of tax policies that have effectively led to the voluntary protection of land.

What changed and why?

- The requirement clarifies that land trusts have a responsibility to consider a transaction as a whole and take action to ensure they are not knowingly participating in a potentially fraudulent or abusive transaction.
- The requirement includes more information about what types of triggers should be flagged as possibly causing substantial concerns and what actions the land trust can take to resolve those concerns.
- For more information, see the Land Trust Alliance's narratives on indicator element [10C2](#) and [10C3](#): Avoiding Fraudulent or Abusive Transactions.

If you have questions about any of the changes, please contact us at info@landtrustaccreditation.org

[Click here to see the entire Summary of Changes and to download the Requirements Manual.](#)