History of Changes to the *Requirements Manual*  
April 2016

The *Requirements Manual* was first published in 2012 to help land trusts be successful in the accreditation process. The Commission annually reviews the *Requirements Manual* to ensure that it accurately and clearly reflects the Commission’s requirements. Revisions may be made to the requirements in response to comments from land trusts, feedback and information from the Land Trust Alliance, and issues identified in applications. Revisions clarify the Commission’s current approach, give land trusts additional flexibility, eliminate a requirement, or strengthen a requirement.

Land trusts have asked the Commission to report on the significant changes made over time. The following list tracks the changes by year with an indication of what practice it applies to. (The 2015 revisions to the *Requirements Manual* also included a special effort to eliminate redundant requirements, which were listed in a separate document.) If you prefer to see the changes by practice rather than by year, please contact Melissa.

**Revisions in the 2013 Edition**  
**Added clarification**

- 2C: Clarified that endowments reported on the Form 990 should be in accordance with the Internal Revenue Service’s Form 990 instructions.
- 3F: Added examples of how to document review of land transactions.
- 4A: Clarified that the organization’s analysis of private inurement for financial transactions with insiders needs to be contemporaneous to the transaction.
- 5A: Clarified that the Commission evaluates an applicant’s current compliance with charitable solicitation laws and that at first-time application the organization makes progress towards compliance.
- 5A: Specified that the date of donation is defined by the Internal Revenue Service.
- 8B: Added examples of how to document application of project selection criteria.
- 9G: Reorganized the recordkeeping requirements to clarify the required elements.
• 9J: Clarified that appraisals for purchases of land or conservation easements should be obtained in advance of closing.

• 10B: Clarified that only stating that the organization will not sign the Form 8283 if it has concerns about the tax deduction is not equivalent to stating that it will not knowingly participate in a project if it has concerns about the tax deduction.

• 11B: Clarified that any supplemental baseline reports should include the date of completion, organization’s signature, and current landowner’s signature (or documented attempt to obtain the signature).

Added flexibility

• 4A: Narrowed the prohibition on compensating companies where the organization’s president or treasurer is employed for professional services to companies where the individual’s compensation is based on the profits of the company.

• 9H: Expanded options for who conducts title investigation from a law firm to an attorney, which effectively allowed a staff attorney to investigate title.

• 9J: Added that an organization can rely on a letter of opinion (rather than a full appraisal) when purchasing land or conservation easements from another non-profit or governmental agency at a price below the tax-assessment value.

• 12C: Revised the requirement of when management plans need to be completed from at closing to within 12 months of closing.

• 12C: Added flexibility so that at first-time accreditation an organization can provide a plan to update its management plans to include overall management goals and timelines for management activities.

Deleted requirements

• 3C: “Board members are committed to and engaged in the work of the organization.”

• 9G: “The records policy or related procedure defines or lists what the organization considers to be an irreplaceable document essential to the defense of each transaction.”

• 9G: If original documents are stored in an individual’s home that the organization has: “Documentation that at least once every five years it evaluates options for storing documents elsewhere in the future.”

• 10B: Retention of written documentation of when the landowner was provided the notification of tax-code and related appraisal requirements.

• 11C: Conservation easement monitoring reports contain the signature of the monitor.
• 11C: Conservation easement monitoring reports contain a notation of any photos taken, their location, and the identity of the photographer.

Strengthened requirements
• 10B: Added that the landowner notification should indicate that the donor is responsible for determining the value of the donation. [This element is specified in the practice but was inadvertently left out of the requirement.]
• 10B: Specified what elements to evaluate in a Form 8283 as part of ensuring the form is an accurate representation of the gift.
• 10B: Specified what elements in the landowner’s appraisal the organization should review.
• 11I: Added that, when releasing land from a conservation easement, the organization needs to consider any funder requirements.
• 12C: Added a requirement for a general written statement at closing about management goals and/or near-term management needs for the property. [This documentation substitutes for a full management plan at closing.]
• 12D: Added that organizations in 2014 and beyond would be expected to annually monitor their fee properties.
Revisions in the 2014 Edition

Added clarification

- General: Indicated that accredited land trusts are expected to comply with the Additional Elements over the second and subsequent accredited terms.
- 4A: Specified that professional services are defined by the Internal Revenue Service as being provided by attorneys, accountants, architects, contractors, engineers, etc.
- 4A: Added examples of how to document the appropriate management of the potential conflict of interest arising from attorney board members that represent landowners in land transactions with the organization.
- 6D: Clarified that the qualified accountant used to complete an organization’s annual compilation needs to be independent.
- 9H: Clarified that at renewal the title investigation needs to brought current within 30 days of closing.
- 10B: Clarified that reviewing the landowner’s appraisal is part of determining whether the organization has significant concerns about the landowner’s tax deduction.
- 10B: Added examples of what actions the organization could take to resolve any concerns with the landowner’s tax deduction or appraisal.
- 11B: Clarified the contents of maps in baseline documentation reports.
- 11C: Clarified that at renewal conservation easement monitoring reports need to substantiate the specific monitoring visits and added examples of how to do so.
- 12D: Clarified that the annual inspection requirements apply to all fee properties, including those intended for transfer or sale.

Added flexibility

- 5A: Clarified that at renewal the organization only needs to show progress towards compliance with charitable solicitation laws.
- 9E: Added that an organization that has conservation easements with broad discretionary consent can also use conservation easement provisions to address that discretionary consent.
- 9H: Added obtaining a copy of the title investigation completed by a non-profit or government partner as acceptable evidence of title investigation.
- 9J: Added an appraisal commissioned by the landowner with the land trust listed as an intended user as acceptable documentation of an independent appraisal.
- 9J: Added additional flexibility for documenting the purchase price prior to an auction.
• 11I: Added examples how to document that an amendment did not result in impermissible private benefit or private inurement.

Deleted requirements
• 11B: “If the baseline documentation report is prepared significantly in advance of closing, the organization inspects the property prior to closing and notes the inspection and any changes (or absence of changes) to the property in the final baseline documentation report.”
• 11B: Baseline documentation reports contain: “Statement of the purpose of the baseline document report (such as to provide an accurate representation of the protected property at the time of the grant of the conservation easement, to aid in the enforcement of the conservation easement, etc.).”
• 11B: Baseline documentation reports contain a copy of the conservation easement.
• 11C: Conservation easement monitoring report include the affiliation of the monitor.
• 11C: Conservation easement monitoring report include the address of the monitor.

Strengthened requirements
• 4A: Identified that, for applicants in 2015 and beyond, all conflict of interest policy elements will be required at first-time accreditation and beyond.
• 11I: Identified that, for applicants in 2015 and beyond, all amendment policy/procedure elements will be required at first-time accreditation and beyond.

Revisions in the 2015 Edition
Added clarification
• 1D: Clarified that the organization’s mission needs to exclusively serve public interest(s).
• 2C: Clarified that the Form 990 Schedule D needs to report on the organization’s fee properties.
• 3C: Added examples of what the board evaluation should include.
• 6D: Clarified that the individual conducting the financial evaluation needs to be independent.
• 6D: Clarified that there is no external financial evaluation equivalent to a compilation.
• 9E: Clarified what elements are required in all conservation easements and what additional elements are required in conservation easements where the landowner intends to take a tax-deduction.
• 11B: Clarified that current conditions reports are acceptable for older conservation easements.
• 11B: Clarified that older baseline documentation reports (those prior to first-time accreditation) may be completed after closing.
• 11B: Clarified that at renewal all baseline documentation reports are required to contain the “first-time application and thereafter” elements.
• 12C: Clarified that all management plans are expected to include the required elements.

Added flexibility
• 2A: Narrowed the out-of-state corporate registration requirements to only apply when the organization holds conservation easements or properties in another state.
• 3F: Added that bylaws provisions that generally delegate decision-making authority meet the policy requirements for delegating land transaction approval authority.
• 4A: Eliminated the need to keep documentation of the analysis of the potential for private inurement for de minimis financial transactions with insiders.
• 9E: Added flexibility so the organization can have either 1) the person responsible for drafting the organization’s conservation easements have the necessary knowledge and experience or 2) legal review of its conservation easements.

Deleted requirements
• 1D: “If the organization routinely solicits the fee title underlying a conservation easement it already holds and if merger of the real estate interests is a legal possibility in the state(s) where the organization operates, then the organization informs its donors that there is a possibility of merged interests.”
• 2A: “The organization meets Internal Revenue Service and state law requirements when classifying individuals as independent contractors or employees.”
• 2B: “The bylaws are consistent with state law: 1) If the organization takes action without a meeting, it ensures that such action is allowable under state law and that any action taken is compliant with state law; 2) If the organization uses proxy voting, it ensures that such action is allowable under state law and any action taken is compliant with state law; 3) If the organization holds meetings via telecommunications equipment, it ensures that such action is allowable under state law and any action taken is compliant with state law.”
• 2C: “The organization reports on any applicable unrelated business income (Form 990-T).”
• 2C: “The organization’s board reviews the Form 990 before filing.”
• 3C: “Board members attend a majority of board meetings.”
• 3C: “The organization’s board is a functional size relative to its scope and mission.”
• 3C: “The board is not controlled or dominated by an individual or a small group of individuals who are related or have close personal relationships with each other.”
• 3C: Evaluation of individual board members.
• 4A: “If the organization engages in transactions with insiders, it does so infrequently.
• 5A: “If an organization serves as a fiscal sponsor for another entity, the organization has 1) Written agreement between the two entities; 2) Documented process for tracking income and expenditures for the sponsored entity; 3) Solicitation and gift acknowledgement letters for money solicited and received for the sponsored entity that clearly identify the purpose of the funds and who holds the funds.”
• 6D: “If the organization has greater than $500,000 in expenditures of federal funds in a year, then it obtains a single or program-specific audit conducted for that year in accordance with Circular A-133, published by the U.S. Office of Management and Budget.”
• 8B: “All projects accepted by the organization are consistent with its criteria.”
• 9E: “Where appropriate, the organization obtains expert advice in financial, real estate, tax, scientific and land/water management matters, as they pertain to specific conservation easements.”
• 9E: “The conservation easement must include the qualification of the holder as a qualified conservation organization.”
• 9G: Records for conservation easements or fee properties transferred or sold do not need to be kept.
• 9G: Retention of duplicates of 1) conservation easement monitoring reports, 2) Forms 8283, 3) appraisals, 4) fee property land inspection records essential to the stewardship and defense of the property, and 5) contracts and leases relative to long-term land management activities.
• 9G: “If an organization stores its duplicates electronically, it must demonstrate the following: 1) it has conducted a thorough inventory of all historical transaction data and converted all irreplaceable documents to electronic files; 2) it has systems in place to ensure that all new documents are appropriately converted to an electronic format; 3) it
has systems in place to update the data to current technology so that the documents can be accessed in perpetuity, and 4) it has effectively tested its backup system.

- 9H: “If an organization applying for first-time accreditation has not investigated title for every conservation easement or fee land transaction completed in the past 10 years, the organization may be required during its accredited term to complete retroactive title investigation for such transactions.”

- 11A: “The organization secures funds to cover current and future expenses for each conservation easement. If funds are not secured for a specific conservation easement at or before the completion of the transaction, the land trust has a plan to secure the funds.”

- 11B: “At renewal, the organization’s most recent baseline documentation report contains background information on the project that would help in conservation easement monitoring or enforcement.”

- 11C: “The organization’s monitors have the necessary training/expertise.”

- 12A: Funding requirements for non-conservation properties.

- 12A: “The organization secures funds to manage the property. If funds are not secured for a specific property at or before the completion of the transaction, the land trust has a plan to secure the funds.”

- 12C: Management plan requirements for non-conservation properties.

- 12C: Land management plans include a timeline for planned management activities and for regular inspections of the property.

- 12D: Inspection requirements for non-conservation properties.

The 2015 revisions to the Requirements Manual also included a special effort to eliminate redundant requirements, which are listed in a separate document.

Strengthened requirements

- 11C: Noted that, beginning in 2017, a first-time applicant would need to show it has monitored its conservation easements once per calendar year for three years, replacing a more complicated system for evaluating monitoring compliance.

Revisions in the 2016 Edition

Added clarification
• 2C: Clarified that the Form 990 Schedule M should report any noncash donations of land.
• 9G: Clarified that the organization is expected to have the documentation requested in the application and the project documentation checklist. The organization does not need to meet the storage and duplication requirements for these documents, unless the document is listed in the chart of irreplaceable documents in the Requirements Manual.
• 10B: Added examples from the Land Trust Alliance of what may trigger the organization to have significant concerns about the landowner’s tax deduction.
• 10B: Added more examples from the Land Trust Alliance of what actions the organization may take to resolve any concerns it has with the landowner’s tax deduction or appraisal supporting the Form 8283.
• 10B: Clarified that while the organization is expected to check the landowner’s appraisal to determine whether or not it has significant reservations about the value of the gift, the organization does not need to obtain a formal review of each appraisal.
• 12D: Clarified that for renewal applicants documentation of annual inspections of conservation fee properties has been expected since 2014.
• 12D: Clarified that for first-time applicants documentation of annual inspections of conservation fee properties is expected at least one year prior to application.

Modified requirements
• 11A: Revised the conservation easement defense requirements to align with the Land Trust Alliance’s Legal Defense Reserves Calculator; because the new minimum defense funding requirements may be higher for some organizations, the new funding requirements will be phased-in.
• 12A: Provided notice that, starting with applicants in 2017, the dedicated or restricted funding an organization is required to have for conservation fee property defense will be determined by the Land Trust Alliance’s Legal Defense Reserves Calculator; because the new minimum defense funding requirements may be higher for some organizations, the new funding requirements will be phased-in.