

STANDARD 1: Ethics, Mission and Community Engagement

Land trusts maintain high ethical standards and have a mission committed to conservation, community service and public benefit.

PRACTICES

A. Ethics

1. Adopt a written code of ethics and/or values statement and adhere to it in implementing the land trust's mission, in its governance, and in its operations
2. Adopt a written whistleblower policy that protects individuals who come forward with information on illegal practices or unethical behavior
3. Do not knowingly participate in transactions that are potentially fraudulent or abusive

The Duxbury Land Trust (DLT) adheres to the following values statement in implementing the Land Trust's mission, in its governance, and in its operations:

The Duxbury Land Trust's core values are based in its dedication to preserving and protecting the natural, cultural and aesthetic resources that contribute to the rural character of Duxbury and neighboring communities, as expressed in its mission statement.

The DLT maintains high ethical and professional standards in its organizational endeavors and accountability to its mission, members, and community; encourages respect and appreciation for conservation and the environment through all of its conservation and outreach activities; and is an inclusive organization that respects and is open to a variety of viewpoints and diversity of thought, and values the leadership and contributions of people of diverse backgrounds, beliefs and cultures.

The DLT adopted a whistleblower policy on March 20, 2018

The DLT does not knowingly participate in transactions that are potentially fraudulent or abusive.

B. Mission, Planning and Evaluation

1. Adopt a mission that advances conservation and serves the public interest
2. Establish strategic goals for implementing the mission, and then review and update them, as needed, at least once every five years.
 - a. Revisit the mission during the strategic review to confirm it is relevant
3. Review programs and activities at least annually to ensure they are advancing the strategic goals and make adjustments, as appropriate

The DLT board has adopted, and periodically reviews, the following mission statement:

The mission of the Duxbury Land Trust is to preserve and protect the natural, cultural, and aesthetic resources of the town that contribute to its rural character for the benefit of current and future generations of citizens of Duxbury and neighboring communities. The Land Trust achieves its mission through securing interest in targeted land parcels, forging partnerships with other land trusts and conservation organizations, and promoting education to ensure responsible stewardship of such lands or interests.

The DLT's current strategic plan was adopted in 2011. The plan, and the mission statement, will be reviewed and updated in 2018. The DLT will continue to review and update the strategic goals for implementing its mission as needed, at least once every five years.

Each potential project is assessed to determine its relevance to DLT goals and objectives.

C. Community Engagement

1. Develop an inclusive, welcoming organizational culture that respects diversity
2. Seek to engage people who are broadly representative of the community in which the land trust works and foster opportunities to connect them with the land
3. Develop an understanding of the land trust's community, and communicate the land trust's work, services and impact in a manner that resonates with and engages that community
4. Build relationships with community leaders and other stakeholders in the land trust's community

The DLT's commitment to fostering an inclusive, welcoming organizational culture that respects diversity is noted in its values statement.

The DLT seeks to engage people who are broadly representative of the community served by the DLT by hosting educational, engagement, and outreach events and activities such as guided nature walks on conserved properties; nature journaling and birding activities; displays at the Duxbury Town Meeting; an annual newsletter; and presentations on special topics at its annual meeting.

The DLT communicates its mission, goals, and programs to members, donors, landowners, the general public, community leaders, conservation organizations and others in its service area as appropriate to carry out its mission.

The DLT provides a newsletter annually to all residents and property owners in Duxbury, participates occasionally in community events such as the Waterbury Community Fair, and has a display at Town Meeting.

The DLT has built relationships with local legislators and other leaders in state government who have been able to assist with conservation efforts involving the State of Vermont.

The DLT provides consultation to the Duxbury Selectboard and the Duxbury Planning Commission.

STANDARD 2: Compliance with Laws

Land trusts fulfill their legal requirements as non-profit tax-exempt organizations and comply with all laws.

PRACTICES

A. Compliance with Laws

1. Do not knowingly conduct operations in violation of law

The DLT complies with all federal, state and local laws.

B. Nonprofit Incorporation and Bylaws

1. Incorporate or organize according to the requirements of state law and maintain legal status
2. Operate in accordance with established bylaws
3. Review the bylaws at least once every five years to ensure consistency with current operations, the articles of incorporation and state law

The DLT incorporated in accordance with Vermont law in 1994. Incorporation papers were filed with the Secretary of State's Office.

C. Federal Tax Exemption

1. Maintain status as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code (IRC)

- a. File a complete and accurate annual information return (Form 990 or equivalent) with the Internal Revenue Service (IRS)
- b. Do not knowingly engage in prohibited activities, such as private inurement or impermissible private benefit
- c. Comply with federal lobbying limitations and reporting requirements
- d. Do not engage in political campaigns on behalf of or in opposition to any candidate for public office

The DLT is tax exempt under 501(c)(3) of the IRS code and State of Vermont.

The DLT files a 990-N (e-Postcard) after each fiscal year ends.

STANDARD 3: Board Accountability

Land trust boards act ethically in conducting the affairs of the organization and carry out their legal and financial responsibilities as required by law.

PRACTICES

A. Board Responsibility

1. Individual board members are informed of and understand their role and their responsibilities as nonprofit board members, including their legal and fiduciary duties
2. The board provides oversight of the land trust's finances and operations by:
 - a. Reviewing and approving an annual budget
 - b. Working to ensure that sufficient financial resources are available
 - c. Receiving and reviewing financial reports and statements in a form and with a frequency appropriate for the scale of the land trust's financial activity
 - d. Reviewing the externally prepared financial audit, review or compilation
 - e. Adopting written policies or procedures for the responsible and prudent investment, management and use of financial assets
3. The board hires, oversees and evaluates, at least annually, the performance of any executive director (or chief staff person)
4. The board may delegate decision-making and management functions to committees, provided that committees have clearly defined roles and report to the board or staff.

From the DLT bylaws: The Board of Trustees shall carry out the objectives of the Corporation as set forth in the Articles of Association and these Bylaws, and the property and affairs of the trust shall be under the exclusive management and control of the Board of Trustees. The specific goals and activities of the Trust shall be set by the Board of Trustees. These goals shall be set at the first meeting and at least once a year thereafter by the Board.

The Board reviews and approves an annual budget and maintains a savings account with sufficient funds to cover expenses for at least two fiscal years. The Board reviews quarterly financial statements. The Board reviews financial audits.

From the DLT Bylaws: The Treasurer receives all money due and is the custodian of these moneys, deposits them in a bank designated by the Board of Trustees, and deposits or invests the same upon order of the Board. The Treasurer presents financial statements to the Board at their regular meetings following each quarter and an annual report at the annual meeting.

The DLT does not have an executive director. The DLT does not delegate decision-making and management functions to committees.

B. Board Composition and Structure

1. Have a board of sufficient size, skills, backgrounds and experiences to conduct its work effectively
2. Have a board substantially composed of independent members to reduce risk arising from conflicts of interest
3. Have a board development process that includes procedures for recruiting and training board members
4. Ensure the board's presiding officer and treasurer are not the same individual
5. If a staff member serves on the board, clearly define the staff role and limit the board member role accordingly to ensure separation of duties and avoid undue influence

- a. No staff members serve as the board's presiding officer or treasurer

The DLT Board consists of nine members. Board members have skills in environmental conservation, financial management, grant writing, graphic design, land use planning, law, marketing, natural resources, organizational development, outreach, photography, public relations, and woodworking.

The DLT recruits new Board members by asking current Board members for recommendations. The Board seeks individuals who reside throughout the town of Duxbury, have a commitment to conservation, and possess skills and experience to enhance Board functioning and expertise. Board training consists of review of the DLT Bylaws, Strategic Plan, Policies and other documents on the Board page of the DLT website. Seminars offered by the LTA are available and members are encouraged to participate in such seminars.

The Chair and the Treasurer are always two different people.

The DLT does not have staff.

C. Board Governance

1. Provide board members written expectations for their service on the board
2. The board meets a minimum of three times per year and maintains adopted minutes of each meeting
3. Provide board members with sufficient and timely informational materials prior to each meeting to make informed decisions
4. Board members evaluate their performance annually as a group and as individuals at least once every three years
5. Adopt procedures for removing board members who are not fulfilling their responsibilities
6. Have governing documents that contain policies and procedures (such as provisions for a quorum and adequate meeting notices) to encourage broad participation and to prevent a minority of board members from acting for the land trust without proper delegation of authority

DLT will promulgate and formulate defensible standards and practices to ensure compliance with adopted standards and practices.

New Board members are asked to review the Board page of the DLT website, which includes the valuable publication: *Understand Your Responsibilities: Guidance for Board members of Charitable Nonprofit Organization in Vermont*.

Board members evaluate their performance at the last meeting of the program year.

From the DLT Bylaws: Responsibilities of Board members: (1) To act in good faith to manage the assets and activities of the Trust in accordance with its mission; (2) To act in good faith and vote in an informed and reasonable way; (3) To attend meetings on a regular basis.

Board members may be removed for not fulfilling any one of the above responsibilities or for actions that violate the conflict of interest policy, misuse funds, or in any way endanger the reputation of the DLT.

From the DLT Bylaws: Removal shall either be made by a three-quarters (3/4) majority vote of the Board of Trustees or by a three-quarters (3/4) majority vote of the membership. By either method, it must be done at a meeting where notice is specified that such removal is to be considered and voted upon.

The DLT Board typically meets monthly. An agenda is sent out in advance to advise members of important decisions. Board members are provided with minutes and financial reports. Updates on projects are provided regularly and members are provided with adequate information to make sound decisions.

The land trust conducts official business only when a quorum is present. A quorum consists of a majority of the members of the Board.

D. Board Approval of Transactions.

1. The board reviews and approves every land and conservation easement transaction
 - a. However the board may delegate decision-making authority on transactions if:
 - i. It establishes written policies or has bylaw provisions that define the limits to the authority given to the delegated entity
 - ii. The delegated entity provides timely notification in writing to the full board of any completed transactions

Every DLT land transaction is brought before the Board and discussed. The Board approves all land transactions.

STANDARD 4: Conflicts of Interest

Land trusts have policies and procedures to avoid or manage real or perceived conflicts of interest.

PRACTICES

A. Dealing with Conflicts of Interest

1. Adopt a written conflict of interest policy that addresses, for all insiders, how conflicts are identified and avoided or managed
2. Document the disclosure and management of actual and potential conflicts
3. When engaging in any transaction with an insider
 - a. Follow the conflict of interest policy
 - b. Contemporaneously document that there is no private inurement

The DLT has a conflict of interest policy.

B. Payments to Board Members

1. Do not financially compensate board members for board service, except for reimbursement of expenses
2. If, in limited circumstances, the land trust compensates a board member for professional services that would otherwise be contracted out.
 - a. Document the circumstances surrounding the decision to do so

- b. Document how the land trust uses appropriate comparability data to determine the amount to be paid and to confirm that there is no private inurement
 - c. Do not compensate the board's presiding officer or treasurer for professional services
3. Do not provide loans to directors, officers or trustees

From the DLT Bylaws: Members of the Board of Trustees shall not be compensated for their services as Trustees. However, this does not prohibit members of the Board from payment for work done for the Trust as an employee or sub-contractor. A Board member may not vote on matters relating to his/her employment.

The DLT does not provide loans to Board members.

C. Land and Conservation Easement Transactions with Insiders.

1. When engaging in land and conservation easement transactions with insiders
- a. Follow all transaction policies and procedures
 - b. For purchases from and sales of property to insiders, obtain an independent appraisal by a qualified appraiser to justify the purchase or sales price

Purchase and easement transactions with insiders is covered in the DLT conflict of interest policy.

STANDARD 5: Fundraising

Land trusts conduct fundraising activities in a lawful, ethical and responsible manner.

PRACTICES

A. Legal and Ethical Practices

1. Conduct an analysis of state charitable solicitation laws and register where the land trust determines it is appropriate
2. Do not compensate internal or external fundraisers based on a commission or a percentage of the amount raised

All Vermont nonprofits must file a biannual report with the Vermont Secretary of State, but are not otherwise required to register with the State. Under Vermont statutes, all paid fundraisers and paid solicitors who directly or indirectly solicit donations for charitable organizations or charitable purposes are required to register annually with the Vermont Attorney General's Office and to pay a registration fee.

It is the policy of the DLT to not compensate internal or external fundraisers based on a commission or percentage basis.

B. Accountability to Donors

1. Provide accurate solicitation materials and other communications to donors and the public
2. Provide timely written acknowledgement of all gifts, including land conservation easements, in keeping with IRS charitable contribution substantiation requirements
3. Maintain financial and other systems to document and comply with any donor restrictions on gifts
4. Have a written policy or procedure to ensure donor privacy concerns are honored

The DLT provides accurate fundraising materials. The DLT sends confirmations to all donors and the Treasurer keeps accurate records of donor gifts. The DLT respects donors' privacy by not sharing, selling, or renting names and personal information.

C. Fundraising Plan

1. Develop and implement a fundraising plan or program appropriate to the land trust's size and scope to secure adequate support for its activities

The DLT currently has sufficient funds and membership contributions to meet its current land protection goals, fulfill its perpetual stewardship obligations and support annual operations. The DLT shall increase the total funds as necessary to meet any further program goals, and shall raise funds accordingly, to meet current and future budget goals and ensure the long-term financial security of the stewardship program.

D. Non-conservation Real Property for Resale

1. When acquiring non-conservation real property with the intent of selling it to advance the land trust's mission

- a. Obtain a written acknowledgement from any donor of the land trust's intent to sell before accepting the property
- b. Follow applicable transaction policies and procedures
- c. Maintain the property while in the land trust's ownership in a manner that retains the land trust's public credibility, manages community expectations and minimizes risk

The DLT shall follow the above practices and procedures when acquiring non-conservation real property with the intent to sell consistent with the DLT's non-permanent holdings policy.

STANDARD 6: Financial Oversight

Land trusts are responsible and accountable for how they manage their finances and assets.

PRACTICES

A. Fiscal Health

1. Develop an annual budget that reflects the land trust's annual programs and activities
2. Develop and implement a strategy to address any deficit-spending trends
3. Assess the nature and variability of revenue and seek to diversify funding sources
4. Build and maintain sufficient operating reserves to sustain operations
5. Build and maintain dedicated or restricted funds sufficient to cover the long-term costs of stewarding and defending the land trust's land and conservation easements
 - a. If funds are insufficient, adopt a plan to secure these funds and a policy committing the funds to this purpose

The DLT treasurer prepares and presents an annual budget to the Board for approval.

The DLT strategy to address deficit-spending trends is to avoid deficit-spending for more than one year.

DLT membership revenue covers operating expenses (based on most recent 20 years).

The DLT maintains sufficient operating reserves to cover two fiscal years of operating expenses.

The DLT has dedicated and restricted funds for long-term stewardship costs.

B. Financial Records

1. Keep financial records in accordance with Generally Accepted Accounting Principles (GAAP) or Other Comprehensive Basis of Accounting (OCBOA)

The DLT treasurer maintains the checkbook and uses a shareware double-entry accounting system to record financial transactions.

C External Financial Evaluation

1. Obtain an annual financial audit, review or compilation by an independent certified public accountant or a qualified accounting professional, in a manner appropriate for the scale of the land trust

The DLT has its financial records reviewed every 5 years by a non-Board member with experience in accounting.

D. Written Internal Controls

1. Establish written internal controls and accounting procedures, including segregation of duties, in a form appropriate for the scale of the land trust, to prevent the misuse or loss of funds

The DLT treasurer and secretary have signature authority. The treasurer deposits receipts and pays expenses; however, the secretary can sign checks to reimburse the treasurer as needed. There is a Cash Receipts Procedure that provides for different Board members receiving money and depositing the money.

E. Risk Management and Insurance

1. Routinely assess and manage risks so that they do not jeopardize the land trust's financial health and its ability to carry out its mission and legal responsibilities
2. Carry general liability, directors and officers liability, property and other insurance, all as appropriate to the land trust's risk exposure or as required by law

DLT is fiscally conservative in carrying out its mission and responsibilities. Its decision-making process for new projects includes risk assessment and thorough due diligence.

The DLT maintains liability insurance with the Clark-Mortenson Agency, Inc. in Woodstock, Vermont.

STANDARD 7: Human Resources

Land trusts have sufficient skilled personnel to carry out their programs, whether volunteers, staff and/or consultants/contractors.

A. Capacity

1. Periodically evaluate whether the land trust has sufficient volunteers, staff and/or consultants/contractors to achieve its strategic goals and carry out its programs, and then add capacity as needed

The DLT is managed by volunteers. There are no paid staff. Occasionally non-Board members volunteer to provide special activities. The DLT assesses if there are sufficient volunteers at the last meeting of the program year.

B. Volunteers

1. Provide volunteers with training, supervision and recognition

DLT Board members receive an orientation. Non-Board volunteers are invited to Board meetings to assess how they can contribute. These volunteers receive recognition through the newsletter, DLT website, and at regular and annual meetings.

C. Consultants or Contractors

1. Clearly define relationships with consultants or contractors, ensure they are consistent with federal and state law and document them in a written contract, as appropriate

The DLT occasionally hires consultants to conduct property appraisals, for example. Prior to hiring a consultant, recommendations from conservation organizations, such as the Vermont Land Trust, are sought. Bids and references are requested and potential consultants are interviewed. The DLT ensures that consultants have the requisite skills and meet all legal requirements before entering into contracts.

D. Transition Planning

1. Develop a written process or plan to provide for continuity in the leadership and management of the land trust's functions

Board members are elected for two-year terms and can be reelected indefinitely. This process ensures continuity over the years. Most DLT Board members have served for several years thus maintaining continuity. The tasks and duties that are carried out by DLT Board members are listed on the Board page of the DLT website. A list of the government agencies, businesses and organizations with whom the DLT interacts, along with their functions and contact persons and principal DLT contacts is also provided on the Board page.

E. Staff

1. Have a written job description for each staff member and conduct periodic performance reviews
2. Document the lines of authority, communication and responsibility between board and staff
3. Ensure staff have appropriate training and experience for their responsibilities and/or opportunities to gain the necessary knowledge and skills
4. Adopt written personnel policies that conform to federal and state law
5. Provide fair and equitable compensation and benefits

The DLT does not have staff.

STANDARD 8: Evaluating and Selecting Conservation Projects

Land trusts carefully evaluate and select their conservation projects.

PRACTICES

A. Strategic Conservation Planning

1. Identify specific conservation priorities consistent with the land trust's mission and goals.

The DLT has identified specific natural resources and geographic areas where it will focus its work.

Priority areas include riparian corridors, ridgelines, and forested wildlife corridors. DLT's focus will be on obtaining easements, not ownership.

B. Project Selection Criteria and Public Benefit

1. Develop and implement a written process to select land and conservation easement projects
2. Develop and apply written project-selection criteria that are consistent with the land trust's conservation priorities
3. Document the public benefit of every land and conservation easement project

The DLT has defined a process for selecting land and easement projects consistent with its mission.

The DLT evaluates and clearly documents the public benefit of every land and easement transaction and how the benefits are consistent with the mission either in the easement or management plan.

C. Project Evaluation

1. Visually inspect properties before buying or accepting donations of conservation land or conservation easements to determine and document whether:

- a. There are important conservation values on the property
- b. The project meets the land trust's project-selection criteria

2. Evaluate potential threats to the conservation values on the property and structure the project to best protect those conservation values

3. Evaluate any current or potential risks associated with the project, including to the land trust's reputation or to the land trust community, and modify or decline the project if the risks outweigh the benefits

The DLT inspects properties before buying or accepting donations of conservation land or easements to be sure they meet the DLT project-selection criteria, to identify the important conservation values on the property and to reveal any potential threats to those values.

The DLT also evaluates the potential risks associated with potential projects, including financial risks.

D. Project Planning

1. Individually plan all land and conservation easement projects so that:

- a. The land trust identifies the best available conservation strategy for the property
- b. The property's important conservation values are protected
- c. The project furthers the land trust's mission and goals

2. Assess the stewardship implications of each project and the land trust's capacity to meet those obligations

The DLT identifies the conservation values associated with each individual project. Conservation strategies are then evaluated to best protect these values. Strategies include: purchase in fee; purchase of a conservation easement; accept donation of land or conservation easement; and referral to a more appropriate conservation organization. All projects are also evaluated based on the DLT's mission and goals.

For each project, the land trust evaluates its capacity to perform any perpetual stewardship, including yearly monitoring of easements and management activities on land owned in fee.

E. Partnership Documentation

1. When engaging in a partnership on a joint acquisition or long-term stewardship project or when co-holding conservation easements, create written agreements to clarify:

- a. The goals of the project
- b. The roles and responsibilities of each party
- c. Legal and financial arrangements
- d. Communications to the public and between parties

The DLT has not entered into partnership with another organization to date.

STANDARD 9: Ensuring Sound Transactions

Land trusts work diligently to see that every land and conservation easement transaction is legally, ethically and technically sound.

PRACTICES

A. Legal Review and Technical Expertise

1. Obtain a legal review of every land and conservation easement transaction, appropriate to its complexity, by an attorney experienced in real estate law
2. As dictated by the project, secure appropriate technical expertise, such as in financial, real estate, tax, scientific and land and water management matters

The DLT obtains a legal review of every land and easement transaction, appropriate to its complexity, by an attorney experienced in real estate law.

B. Legal and Financial Advice

1. Do not give individualized legal, financial or tax advice when providing transaction-related information
2. Recommend in writing that each party to a land or conservation easement transaction obtain independent legal, financial and tax advice

The DLT refrains from giving specific legal, financial or tax advice and recommends in writing that each party to a land or easement transaction obtain independent legal advice.

C. Environmental Due Diligence

1. For every land and conservation easement transaction, conduct or obtain a preliminary environmental investigation, transaction screen or Phase I assessment to identify whether there are any conditions that pose environmental risks, and take steps to address any significant concerns

The DLT has not so far identified or documented whether there are hazardous or toxic materials on or near the properties that could create liabilities for the DLT. The DLT shall conduct a review of all transactions to date to determine if a further environmental investigation is necessary. For all future transactions, the DLT shall conduct or cause to be conducted a preliminary environmental investigation with appropriate follow-up consistent with environmental due diligence standards.

D. Determining Property Boundaries

1. Determine both the legal description and physical boundaries of each property or conservation easement
2. If a conservation easement contains restrictions or permitted rights that are specific to certain zones or areas within the property, include the locations of these areas in the easement document so that they can be identified in the field

The DLT determines the boundaries of every protected property through legal property descriptions, accurately marked boundary corners or, if appropriate, a survey. If an easement contains restrictions that are specific to certain zones or areas within the property, the locations of these areas are clearly described in the easement and supporting materials that can be identified in the field.

E. Conservation Easement Drafting

1. For every conservation easement,
 - a. Individually tailor it to the specific property
 - b. Identify the conservation values being protected
 - c. Allow only uses and permitted rights that are not inconsistent with the conservation purposes and that will not significantly impair the protected conservation values
 - d. Avoid restrictions and permitted rights that the land trust cannot monitor and enforce
 - e. Include all necessary and appropriate provisions to ensure it is legally enforceable
2. Review, on the land trust's own behalf, each potentially tax-deductible conservation easement for consistency with the Treasury Department regulations (U.S.C. §1.170A-14), especially the conservation purposes test of IRC §170(h)

The DLT tailors every easement for the property according to project planning and identifies the important conservation values protected and public benefit served; allows only permitted uses and reserved rights that will not significantly impair the important conservation values; contains only restrictions that the DLT is capable of monitoring and is enforceable.

F. Title Investigation and Recording

1. Prior to closing and preferably early in the process, have a title company or attorney investigate title for each property or conservation easement the land trust intends to acquire
 - a. Update the title at or just prior to closing
2. Evaluate the title exceptions and document how the land trust addressed mortgages, liens, severed mineral rights and other encumbrances prior to closing so that they will not result in extinguishment of the conservation easement or significantly undermine the property's important conservation values
3. Promptly record land and conservation easement transaction documents at the appropriate records office

The DLT investigates title to each property for which it intends to acquire title or an easement through counsel to be sure that it acquires title in accordance with Vermont Title Standards and Vermont law, which are consistent with the requirements of this section.

G. Recordkeeping

1. Adopt a written records policy that governs how and when organization and transaction records are created, collected, retained, stored and destroyed
2. Keep originals of all documents essential to the defense of each real property transaction in a secure manner and protected from damage or loss
3. Create and keep copies of these documents in a manner such that both originals and copies are not destroyed in a single calamity

The DLT keeps originals of all irreplaceable documents essential to the defense of each transaction in the Secretary's files. Legal records are recorded with the Town Clerk.

H. Purchasing Land or Conservation Easements

1. When buying land, conservation easements or other real property interests, obtain an independent appraisal by a qualified appraiser in advance of closing to support the purchase price
 - a. However a letter of opinion from a qualified real estate professional may be obtained in the limited circumstances when:
 - i. A property has a very low economic value
 - ii. A full appraisal is not feasible before a public auction
 - iii. Or the amount paid is significantly below market value
2. In limited circumstances where acquiring land, conservation easements or other real property interests above the appraised value is warranted, contemporaneously document:
 - a. The justification for the purchase price
 - b. That there is no private inurement or impermissible private benefit

The DLT obtains a qualified independent appraisal to justify the purchase price when it buys land or easements.

I. Selling or Transferring Land or Conservation Easements

1. When selling land, conservation easements or other real property interests,
 - a. Establish protections as appropriate to the property

- b. If the sale is to a party other than another tax-exempt organization or public agency, obtain an independent appraisal by a qualified appraiser or a letter of opinion from a qualified real estate professional to determine the value of the asset and to support the selling price
 - c. Select buyers in a manner that avoids any appearance of impropriety
2. When selling or transferring conservation land or conservation easements to another tax-exempt organization or public agency, consider whether the new holder can fulfill the long-term stewardship and enforcement responsibilities

The DLT has not to date sold land or easements. However, in the event that the Land Trust decides to sell land or an easement, it will obtain an independent appraisal to justify the selling price.

The DLT has not transferred or exchanged land to date. In the event that it becomes necessary or desirable to transfer land or easements, the DLT will ensure that the new holder is a qualified conservation organization that can fulfill the long-term stewardship and enforcement responsibilities and in keeping with the donor's intent.

STANDARD 10: Tax Benefits and Appraisals

Land trusts work diligently to see that every charitable gift of land or conservation easement meets federal and state tax law requirements, to avoid fraudulent or abusive transactions and to uphold public confidence in land conservation

PRACTICES

A. Landowner Notification

1. Inform potential land or conservation easement donors who may claim federal or state income tax deduction (or state tax credit), in writing and early in project discussion, that:
 - a. The project must meet the requirements of IRC §170 and the accompanying Treasury Department regulations and any other federal or state requirements
 - b. The donor is responsible for any determination of the value of the donation
 - c. The Treasury Department regulations require the donor to obtain a qualified appraisal prepared by a qualified appraiser for gifts of property valued at more than \$5,000
 - d. Prior to making the decision to sign IRS Form 8283, the land trust will request a copy of the completed appraisal
 - e. The land trust is not providing individualized legal or tax advice
2. Do not make assurances as to:
 - a. Whether a particular land or conservation easement donation will be deductible
 - b. What monetary value of the gift the IRS and/or state will accept
 - c. What the resulting tax benefits of the deduction or credit will be, if any

The DLT informs donors that they need to consult with a tax accountant to determine if their donation qualifies for a tax deduction.

The DLT now requests appraisals for the properties that it accepts as donations.

The DLT does not make assurances about the deductibility or value of donations.

B. Legal Requirements: Land Trust Responsibilities

1. If the land trust holds federally tax-deductible conservation easements, it meets the requirements for a qualified organization under IRC §170(h)

2. Sign the Form 8283 only if the information in Section B, Part I, "Information on Donated Property," is complete and is an accurate representation of the gift

a. Refuse to sign the Form 8283 if the land trust believes no gift has been made or the property has not been accurately described

3. File IRS Form 8282 when conveying a donated real property interest within three years of the date the land trust received the property

If the DLT receives a donated property, it will ensure that it meets any requirements under IRC Sec. 170(h) and sign and file any appropriate IRS Forms as required only when such forms are complete and accurate.

C. Avoiding Fraudulent or Abusive Transactions

1. Review on the land trust's own behalf each transaction for consistency with federal and state income tax deduction or credit requirements

2. Evaluate the Form 8283 and any appraisal to determine whether the land trust has substantial concerns about the appraised value or the appraisal

3. Discuss substantial concerns about the appraisal, the appraised value or other terms of the transaction with legal counsel and take appropriate action, such as:

a. Documenting that the land trust has shared those concerns with the donor

b. Seeking additional substantiation of value

c. Withdrawing from the transaction prior to closing

d. Or refusing to sign the Form 8283

4. When engaging in transactions with pass-through entities of unrelated parties, particularly those offered or assembled by a third party or described as a syndication by the IRS,

a. Require a copy of the appraisal prior to closing

b. Decline to participate in the transaction if the appraisal indicates an increase in value of more than 2.5 times the basis in the property within 36 months of the pass-through entity's acquisition of the property, the value of the donation is \$1 million or greater and the terms of the transaction do not satisfy the Land Trust Alliance Tax Shelter Advisory

The DLT will follow the procedures outlined above to evaluate and review all future proposed transactions in order to avoid engaging in fraudulent or abusive transactions as so defined.

STANDARD 11: Conservation Easement Stewardship

Land trusts have a program of responsible stewardship for their conservation easements.

PRACTICES

A. Funding Conservation Easement Stewardship

1. Estimate the long-term stewardship and enforcement expenses of each conservation easement transaction

2. Track stewardship and enforcement costs

The DLT determines the appropriate stewardship and monitoring donation for donations of property or easements on a case-by-case basis. For example, the Department of Buildings and General Services agreed to donate \$15,000 from sale proceeds for DLT monitoring of the three easements on the former state farm.

Costs of stewardship are tracked in the annual budget. Potential enforcement costs are included in the annual costs of insurance (Terra Firma) through the Land Trust Alliance.

B. Baseline Documentation Report

1. For each conservation easement, have a baseline documentation report, with written descriptions maps and photographs, that documents:
 - a. The conservation values protected by the easement
 - b. The relevant conditions of the property as necessary to monitor and enforce the easement
2. Prepare the report prior to closing and have it signed by the landowner and land trust at or prior to closing
 - a. In the event that seasonal conditions prevent the completion of a full baseline documentation report by closing, the landowner and land trust sign a schedule for finalizing the full report and an acknowledgement of interim data [that for donations and bargain sales meets Treasury Regulation §1.170A-14(g)(5)(i)] at closing
3. When there are significant changes to the land or conservation easement (such as a result of an amendment or the exercise of a permitted right), document those changes in an appropriate manner, such as through monitoring reports, a baseline supplement or current conditions report

The DLT obtains documentation and conducts a field visit to document conservation values protected by the easement prior to closing.

For future projects, the DLT will prepare a baseline documentation report prior to closing that includes the protected conservation values; written descriptions of the property; and maps and photographs that document the current condition of the property as necessary to monitor and enforce the easement.

All past projects will have updated current conditions reports which incorporate monitoring reports to document the baseline condition and any significant changes to the land or easement.

C. Conservation Easement Monitoring

1. Adopt a written policy and/or procedure for monitoring conservation easements that establishes consistent monitoring protocols and recordkeeping procedures
2. Monitor each conservation easement property at least once per calendar year
 - a. If the land trust uses aerial monitoring, conduct on-the-ground monitoring at least once every five years
 - b. Promptly document the annual monitoring activities for each conservation easement

The conservation easement monitoring policy of the DLT is to conduct a field visit to each protected property at least once a year. For each monitoring site visit, a monitoring report form is completed. The report documents any changes to the property compared to the baseline condition, and is supplemented by photographs of the current condition of the property. The report is filed in the individual project folder and kept with all project files.

D. Landowner Relationships

1. Maintain regular contact with owners of conservation easement properties to maintain relationships and avoid potential easement conflicts
2. Establish systems to track changes in land ownership
3. When the property changes hands, attempt to meet with the new owner or property manager and provide information in writing about the conservation easement and the land trust's stewardship policies and procedures

The DLT strives to meet annually with owners of easement properties prior to the monitoring site visit. The landowner can describe any planned management activities or changes to the property.

Due to the fact that easements are recorded at the town clerk's office, future changes in land ownership will be alerted by title searches by the buyer. A representative of the DLT will meet with the buyer to answer questions regarding the easement, and to alert them of the DLT's stewardship policies and procedures.

E. Conservation Easement Enforcement

1. Adopt a written policy and develop written procedures for documenting and responding to potential conservation easement violations
2. Investigate potential violations in a timely manner and promptly document all actions taken
3. Involve legal counsel as appropriate to the severity of the violation and the nature of the proposed resolution

While the DLT does not have a specific enforcement policy, enforcement procedures are spelled out in each easement document.

F. Approvals and Permitted Rights

1. Respond to landowner required notices or requests for interpretation or approvals in a timely and consistent manner, as specified in the conservation easement deed or in a written procedure
2. Establish written procedures to guide the land trust's decision-making if using discretionary approvals or if conservation easement deeds contain such clauses
3. Maintain a permanent record of all notices, approvals, denials, interpretations and the exercise of any significant permitted rights

While the DLT does not have a separate, established procedure, specific easement documents spell out procedures for approval. Responses to landowner notices and requests for interpretation are done in a timely manner. The DLT maintains a record of such requests in each project folder.

G. Contingency Strategy

1. Take reasonable steps to provide for the disposition of conservation easements in the event the land trust ceases to exist or can no longer steward and administer them.

The Vermont Land Trust agreed as of June 2012 to accept one of our current easements and two pending easements upon the DLT's dissolution. They are open to accepting the Devlin easement if the easement is amended to remove the historic preservation requirements. The DLT will work with the VLT in the event of DLT pending dissolution to amend the easement. The easement donor and current property owners will also be consulted.

H. Amendments

1. Adopt and follow a written policy or procedure addressing conservation easement amendments that is consistent with the Land Trust Alliance Amendment Principles
2. Evaluate all conservation easement amendment proposals with due diligence sufficient to satisfy the Amendment Principles
3. If an amendment is used to adjust conservation easement boundaries (such as to remedy disputes or encroachment) and results in a *de minimis* extinguishment, document how the land trust's actions address the terms of J.1. below

The DLT Board approved an amendment policy on November 28, 2012.

I. Condemnation

1. If a conservation easement is threatened with condemnation,
 - a. Take steps to avoid or mitigate harm to conservation values and document the actions taken

- b. Have or obtain appropriate documentation of the percentage of the full value of the property represented by the conservation easement
- c. Document the land trust's attempts to receive its proportional share of the proceeds and use any proceeds in a manner consistent with the conservation easement deed

The DLT Board approved a condemnation policy on November 28, 2012.

J. Partial or Full Extinguishment

In the rare case that it is necessary to extinguish a conservation easement, in whole or in part,

- a. Follow the terms of the conservation easement with respect to taking appropriate action, and obtain judicial or regulatory review when required by law or specified in the easement deed
- b. Ensure there is no private inurement or impermissible private benefit
- c. Take steps to avoid or mitigate harm to conservation values and/or use any proceeds in a manner consistent with the conservation easement deed
- d. Consider the land trust's actions in the context of its reputation and the impact on the land conservation community at large

The DLT Board approved an extinguishment policy on November 28, 2012.

STANDARD 12: Fee Land Stewardship

Land trusts have a program of responsible stewardship for the land held in fee for conservation purposes.

PRACTICES

A. Funding Land Stewardship

1. Determine the immediate financial and management implications of each conservation property acquisition and estimate the long-term implications
2. Anticipate and track costs associated with long-term land management, stewardship and enforcement of conservation properties

At the end of each fiscal year, the Board determines the amount of budget surplus, if any, to add to the Stewardship Fund. Fee property tax assessments have been reduced because of the presence of a conservation easement.

B. Land Management and Stewardship

1. Develop a written land management plan for each conservation property within 12 months after acquiring the land to:
 - a. Identify the property's conservation values, including any significant cultural and natural features or those that have significant community value
 - b. Identify the overall management goals for the property
 - c. Identify activities to achieve the goals and to reduce any risks or threats to the conservation values
 - d. Specify the uses that are appropriate for the property, in keeping with the property's conservation values, any restrictions and donor or funder requirements
 - i. Provide public access opportunities as appropriate to the property and the land trust's mission

2. Manage each conservation property in accordance with its management plan, and review and update the plan as necessary
3. Perform administrative duties (such as paying insurance, filing required forms, keeping records) in a timely and responsible manner
4. Maintain the property in a manner that retains the land trust's public credibility, manages community expectations and minimizes risk

The DLT properties have approved management plans and they are managed and maintained in accordance with the plan. Insurance, taxes and other required land related expenses are paid in a timely manner and records are kept in the DLT files.

C. Inspecting Land Trust Properties

1. Determine the boundaries of land trust properties and physically mark them to the extent possible or necessary
2. Inspect properties at least once per calendar year for potential management problems and promptly document the inspection
3. Address management problems, including encroachments, trespass and other ownership challenges, in an appropriate and timely manner and document the actions taken

The DLT is in the process of marking the boundaries of its properties. It monitors each property annually to determine if there are any issues that need attention.

D. Contingency Strategy

1. Take reasonable steps to provide for the continuing protection of conservation properties in the event the land trust ceases to exist or can no longer own or manage them

The Vermont Land Trust approved serving as our contingency backup on June 25, 2012.

E. Condemnation

1. If a conservation property is threatened with condemnation, take steps to avoid or mitigate harm to conservation values and document the actions taken

The DLT Board approved a condemnation policy on November 28, 2012.

Revised xxxxx