



Qualifications for Membership in the California Council of Land Trusts

Adopted 2005; Revisions Adopted 2008, 2012

Land conservation and stewardship requires substantive knowledge and expertise in the areas of law, finance, technical, science and other related fields. Compounding these requirements, and unlike many other non-profit sectors, land trusts typically assume permanent responsibilities for the lands and waters they protect.

These *Qualifications* constitute one element of the California Council of Land Trusts' membership program.¹ They are intended to assist in identifying land trusts that are engaged in and dedicated to sustainable land conservation, that conduct themselves in accordance with legal and equitable principles appropriate for not-for-profit organizations operating solely in the public interest, and that implement the highest standards and practices of not-for-profit charitable management. The goal is to ensure that CCLT membership consists only of organizations that support and advance the identity and reputation of California's land trust community and land conservation generally.

The *Qualifications* attempt to describe minimum objective requirements for operating in a professional, charitable, and technically correct manner. They include the *Community Integrity Principles for California Land Trusts*, which reflect the standards to which members hold themselves in relating to each other, their supporters, the public, landowners, and funders. In meeting these minimum requirements, Applicants and Members must avoid not only actual conflicts of interest or other improprieties, but must also avoid the appearance of such conflicts and improprieties.

The conduct, structure, and reputation of Applicant land trusts will normally demonstrate a substantial history and widely held reputation for conduct consistent with the *Qualifications*. Newly-created land trusts will lack such history and reputation and will need to advance an objectively verifiable factual basis assuring CCLT that the Applicant will perform appropriately as a member. Members agree to remain in compliance with the *Qualifications*. However, CCLT is neither a certifying nor accrediting organization. CCLT cannot and does not guarantee that its members have met any specific criteria, nor does denial, suspension or revocation of membership indicate that an applicant has failed to meet any specific criteria. All decisions regarding participation are made by CCLT in its sole and complete discretion.²

MISSION

1 Mission

The land trust's principal purpose and activity is the direct conservation and/or stewardship of land and/or water resources. This purpose is reflected in its articles of incorporation, by-laws, and mission statement.

Notes: The LT may also engage in other activities, such as restoration, education, advocacy, or land use planning, so long as its principal purpose and activity remains direct conservation and stewardship. Direct conservation is defined as the acquisition of conservation easements and fee interests in real property, and/or the stewardship of the land and water resources. Stewardship encompasses the range of activities involved in controlling and managing a property or conservation easement and its attendant resources for conservation purposes.

2 Nonprofit Incorporation and Tax-Exempt Status

The organization is incorporated as a non-profit, public benefit corporation in California. It is recognized as a public charity by the Internal Revenue Service as a 501(c)(3) organization. Private operating foundations and supporting organizations [509(a)(3)] will be considered if they meet the other qualifications. If the organization holds conservation easements, it meets the foregoing requirements, has met a public support test, and has a conservation purpose as required by California Civil Code 815.

Notes: Land trusts that work in California but are incorporated in another state may provide proof of comparable incorporation in another state. A public charity is described in IRS Code Section 170(b)(1)(A)(vi) or Section 509(a)(2)

3 Community Integrity Principles

Land trust operates in ways consistent with the *Community Integrity Principles for California Land Trusts* and commits to continuing to so operate.

4 Knowledge and Competence

The land trust staff and board stay abreast of advances in nonprofit and conservation practice by drawing upon widespread opportunities for continued education. The land trust utilizes qualified and independent expertise, including the use of attorneys and appraisers, to assist its work as needed.

Notes: In recognition of the diverse, complex and technical knowledge and expertise needed to competently operate a land trust and to implement and sustain land/water projects, it is critical that land trusts undertake continuing education. There are a wide variety of sources upon which land trusts can draw, including nonprofit centers, regional

land trust trainings, conferences and trainings by the California Council of Land Trusts or Land Trust Alliance, workshops offered by other land trusts and agencies, continuing education at university extensions, and resource conservation districts.

CONSERVATION ACTIVITY

5 Current Activity

The land trust has an active conservation program and plans to continue its active conservation activities in the next two years. Its activity can be demonstrated by one or more of the following:

- has acquired land or water of state, regional or local significance in at least two instances in the last two years
- is stewarding the lands and waters previously conserved
- has materially partnered with, or conveyed conservation land or easements to, a land trust or public agency(s) in the last two years.

Notes: Land trusts that have formed within the last five years would apply for CCLT Provisional Membership. Provisional members are not required to meet this requirement, although their intention and plan to do so must be evident in their mission statement and incorporation documents.

6 Public Information and Community Support

At least annually, the land trust provides information to the public about its mission and activities to conserve land and/or water resources (e.g., in annual report, newsletters, website). The names of all board members are readily-accessible to the public. In addition, the land trust demonstrates evidence of community engagement and/or support.

Notes: Community support and/or support may be demonstrated by diverse financial support, numbers of supporters or volunteers, community events, or receipt of diverse public or charitable grants, contracts or mitigation agreements.

7 Transaction Approval

The Board of Directors approves each acquisition of a real property interest.

Notes: In the case of large land trusts with annual operating budgets over \$5 million, the board may establish acquisition policies and guidelines for staff decisions about acquisitions. The policies and guidelines should provide for timely notification of the Board of Directors about each acquisition.

8 Amendments

The land trust has a written policy or procedure guiding amendment requests for conservation easements that (a) prohibits private inurement and impermissible private benefit; (b) requires compliance with the land trust's conflict of interest policy; (c) requires compliance with any original funding requirements and any state laws or policies; (d) requires board approval and addresses any other roles of the board; (e) contains a requirement that all amendments result in either a positive or neutral conservation outcome; and (f) is consistent with the organization's mission.

GOVERNANCE

9 Independent Board of Directors

The Board of Directors is an independent decision-making body guiding the affairs of the organization. The land trust's governing body does not include more than one member who is directly or indirectly compensated by the land trust, and that a compensated board member does not serve as the board's treasurer. An exception to this qualification applies to a single occasion for a board member to conserve his/her land in a transaction involving the land trust. In such a case, the board member must fully recuse and absent him/herself from the discussion, review and decision-making for the project.

Notes: This is based on the *Better Business Bureau's Wise Giving Alliance* standards for charities and *Land Trust Alliances' Standards and Practices*. CCLT proposes to use it to address the frequent profile of organizations that have multiple board members with direct and indirect financial interests in the land trust, e.g., accepting mitigation projects from a for-profit consulting firm that employs multiple board members.

10 Board Engagement

The Board of Directors is actively engaged in governing the organization's activities and meets a minimum of three times per year. Board members consistently participate in board and committee meetings.

11 Conflict of Interest

The Board of Directors has adopted a Conflict of Interest Policy, implements it, and annually reviews and reaffirms/modifies the policy. The policy must include provisions which effectuate the following:

- each board member reads the policy and completes a disclosure form,
- identifies and provides for the recusal of any board member with a material financial interest in a decision of the organization, including land transactions, and (2)

- recused board members must absent themselves from the discussion and vote.

12 Related For-Profit Organizations

The land trust cannot have more than one board or executive staff member who is an owner, employee or consultant to a for-profit firm who may use their position in the land trust to consistently benefit or advance the purposes of the same for-profit firm.

Notes: In evaluating an organization on this qualification, factors considered will include the circumstances of formation, the source of projects and other information.

FISCAL RESPONSIBILITY

13 Financial Records

The land trust prepares a complete, annual financial statement in compliance with generally accepted accounting principles and federal and state reporting requirements, including California's Nonprofit Integrity Act.

Notes: This is a routine item for a land trust to prepare in order to complete a Form 990 for the Internal Revenue Service.

14 Financial Review or Audit

The land trust meets federal and state filing requirements, such as filing the IRS Form 990.

Additionally, if the land trust's annual operating budget:

- exceeds one million dollars, the land trust has an annual, independent audit of its finances (as required by the California Nonprofit Integrity Act) by a qualified professional of its year-end financial condition.
- is between \$100,000 and \$999,999, the land trust has an annual financial review or audit by a qualified professional of its year-end financial condition.

Notes: National accreditation has slightly different requirements, notably the requirement for an annual audit begins at more than \$500,000. In this regard, CCLT has chosen to keep the *Membership Qualifications* consistent with state law in California. Accredited land trusts will be in compliance with these *Qualifications*.

15 Investment and Management of Funds

If the land trust maintains endowments or is investing funds in instruments or accounts other than savings, checking or money market accounts, the land trust has adopted an investment policy that is consistent with the Uniform Prudent Management of Institutional Funds Act (Probate Code Sec. 18501 et seq.) with regard to endowment funds.

16 Long-Term Funding

The land trust has adopted a plan or policy to accumulate sufficient funds to meet the long-term funding needs (including legal defense) of the lands, easements and other real properties it holds, and it is actively working to accumulate these funds.

17 Conservation Succession

The land trust considers and implements, when possible, provision for a qualified nonprofit, conservation organization or a public agency to assume ownership and responsibility for its conservation lands and waters in the event of its inability to continue operations.

Notes: This can be achieved in a variety of ways, such provisions in individual easement documents, or agreement with a local open space district or other land trust. Also, please note that the qualification is stated as "land trust considers and implements, when possible" in recognition of the difficulty but nevertheless importance of the issue.

LAND AND EASEMENT STEWARDSHIP

The following qualifications will also apply if the land trust holds a fee title property(s) or conservation easement(s).

18 Land Management

For each fee title property that the land trust intends to hold in perpetuity, it manages the property consistent with a management plan for the property. For properties expected to be held longer than five years but not in perpetuity, the land trust may rely upon general management principles or an umbrella management policy for all lands held on an interim basis. Each management plan will include the following items, at a minimum:

- identifies the conservation purpose(s) and permitted and prohibited uses of the property
- identifies the conservation management goals and actions necessary to achieve the goals
- describes the natural resources and recreational attributes (if any) of the property
- describes potential threats to the conservation values or areas of special concern
- contains a timeline for planned management activities and for regular inspections of the property, including existing structures and improvements

19 Baseline Documentation

The land trust has a policy requiring that each conservation easement will have a baseline document and requires that each baseline document:

- is created at the time of recordation or within six months
- describes the features of the property relevant to the purpose and terms of the conservation easement

- is signed by the landowner and easement holder
- is retained by the easement holder in its original version

20 Monitoring

The land trust has a policy requiring that each conservation easement is monitored on no less than an annual basis, and the land trust has made provision for ensuring that this can happen, such as employing stewardship staff or having volunteers trained to monitor easements.

21 Enforcement

The land trust has a written policy and/or procedure detailing how it will respond to a potential violation of an easement, including the role of all parties involved (such as board members, volunteers, staff and partners) in any enforcement action, including the role and requirements of Terra firma (if the land trust is insured under this program).

Community Integrity Principles for California Land Trusts

Adopted 2005; Revision Adopted 2012

"Public trust in our sector demands enforcement of legal standards, but it calls for more than that. Our world is migrating from a standard of what the law 'allows' us to do, to what we are comfortable reading about ourselves in the newspaper." *Dorothy S. Ridings, President of the Council on Foundations, Foundation News (November-December, 2003)*

CCLT's goal is to have a strong, credible land trust community where an individual land trust's activities enhance the reputation and identity of the community, the viability of land protection tools, and public support and confidence in land conservation. CCLT members agree to act in the spirit of these principles.

The principles below reflect the standards to which we hold ourselves in relating to each other, our supporters, the public, landowners and funders. The principles can be a source of fruitful and positive self-examination and discussion between land trusts and within a land trust.

- 1 **Good Neighbors.** Land trusts operate in a cooperative and supportive manner with other land trusts, and have an obligation to create and maintain open lines of communication about potential and ongoing projects.
- 2 **Maintain Conservation Purpose.** Land trusts ensure that each conservation transaction has a public benefit, and that the conservation purposes are upheld over time whatever the source of financial support for the project, such as public or charitable funds, tax benefits or regulatory requirements. Land trusts must achieve this while respecting the rights and preferences of landowners, public and private funders, and the public in their transactions and operations.
- 3 **Community Leadership & Sensitivity.** Land trusts serve their communities with leadership, vision and commitment. Land trusts make tremendous contributions to local communities, and have a responsibility to consider the goals and preferences of the community in choosing conservation projects and practices.
- 4 **No Transaction is an Island.** Land trusts are mindful about fostering long-term public confidence and support for land conservation beyond any single transaction.

- 5 **Our Fates Are Linked.** The effectiveness and reputation of each land trust is related to the actions of other land trusts. Land trusts carry out their activities so as to uphold the effectiveness, reputation and identity of the California land trust community and its conservation tools.
- 6 **Keeping the Public Trust.** Public confidence and support for land conservation is critical to land trust success, and land trusts avoid situations that could jeopardize public confidence and support.
- 7 **Conflicts of Interest.** Land trusts avoid conflicts of interest with the broad spectrum of individuals and entities with which they work, and within their own operations and board composition. To the extent feasible, land trust transactions and operations are transparent.
- 8 **Independent Governance.** The board of directors of a land trust is engaged in active, independent and informed oversight of the organization's activities, and they share a commitment and duty to advance the purposes of the land trust.
- 9 **Planting a Good Seed.** Land trusts work to develop enduring projects that accomplish their stated conservation goals, and are mindful of the demands of stewardship and perpetuity.
- 10 **Financial Sustainability.** Land conservation takes considerable financial resources for both initial acquisition and perpetual stewardship. Land trusts build and manage the necessary funds for these activities and obligations.
- 11 **Circle of Friends.** Land trusts work to continually foster community support and organizational passion to carry out their mission and uphold their commitments in perpetuity.
- 12 **Spreading the Word.** Land trusts share information with CCLT that could have an impact on the land trust community or land conservation efforts or practices.

¹ No category of membership or participation has voting rights to govern the affairs of the California Council of Land Trusts.

² The CCLT Board of Directors reserves the right to allow exceptions to the adherence to *Qualifications for Membership* under exceptional circumstances and if the organization is in substantial compliance with the *Qualifications*.