

# SEAL Trust Policies and Procedures



SEAL Trust Statement of Ethics

Board Approval of Land Transactions Policy

Conflict of Interest Policy

Fundraising Policy

Financial Management and Investment Policy

Capacity Procedure – Evaluating Needs and Obligations

Project Tracking Checklist – Conservation Easement

Project Tracking Checklist – Fee Simple

Project Selection Criteria & in-lieu fee supplement

Recordkeeping Policy

Purchasing Land Procedure (2 documents)

Baseline Documentation Report Policy

Conservation Easement Monitoring Policy

Conservation Easement Enforcement Policy

Amendments Policy

Amendments Procedures (3 documents)



ADOPTED: March 21, 2012

AMENDED: NA

## STATEMENT

### SEAL Trust Statement of Ethics

We dedicate ourselves to the protection of habitat, recreation, open space, and historic areas in Southeast Alaska that contribute to the ecological, social, and economic well-being of present and future generations.

We will conduct our activities with integrity, striving to ensure that all our dealings with others are characterized by good faith, honesty, and fairness. We will operate under the highest professional and ethical standards and in accordance with the Land Trust Alliance's *Standards and Practices*. We further commit ourselves to conducting our business in an environmentally sensitive manner as befits our organization's purpose.

The trust and responsibility placed in us by our donors, members, partners, and the public are paramount. We acknowledge that this trust requires us to be fiscally responsible, mindful of our long-term accountability to the lands we protect, and dedicated to building a sustainable, capable organization.

Systematically, strategically, and acting cooperatively, we will work through non-confrontational means toward tangible and lasting results. In this process, we will respect the needs, values, and traditions of the communities in which we work. Through strong, productive partnerships based on mutual benefit and trust with all affected sectors of society, we will diligently strive for high quality, lasting conservation of important natural and historic landscapes.



ADOPTED: March 21, 2012

AMENDED: February 20, 2013

## POLICY

### Board Approval of Land Transactions

#### **I. Purpose**

The purpose of this policy is to explain how SEAL Trust fee land and conservation easement transactions are approved and by whom. These guidelines will guarantee that land transactions are executed with appropriate due diligence, thus ensuring that SEAL Trust does not encounter problems such as purchasing a property at excessive price or incurring a financial obligation for overlooked hazardous waste. This policy shall further ensure that decisions about land transactions are not relegated to a small group of decision makers and that the Board of Directors' legal responsibility for such transactions is clearly understood.

#### **II. Board Approval of Land Transactions**

In order for SEAL Trust to acquire a fee simple property or a conservation easement, there are several points at which the SEAL Trust Board of Directors, hereafter "the Board," must approve the project. The lead up to and the approximate timing of each approval is documented in more detail in the "Project Tracking Checklist." This is a summary of the most important actions.

##### *Preliminary Approval*

Staff will make a recommendation to the Board's Lands Committee following a period of initial property research. At the Lands Committee meeting, the staff should provide the following documents or similar ones that convey the same information: (a) "Project Summary Information Sheet"; (b) "Site Evaluation Report"; (c) "Project Selection Criteria." The Lands Committee shall request more information, deny approval, give preliminary approval, or request that the Board be responsible for giving preliminary approval.

##### *Approval as the Transaction Proceeds*

Staff shall inform the Board on the status of the transaction through periodic and timely reports on the project's progress. The Board may review the project before final approval, preferably after the conservation easement or purchase and sale agreement has been drafted, as applicable. The Board shall be kept apprised of and may assert responsibility over minor approvals throughout the transaction.

##### *Final Approval*

The Board's Lands Committee shall give their final recommendation for the Board approval of the project after the final conservation easement or final purchase and sale agreement is complete, as applicable. Once the Lands Committee has made its recommendation, the Board shall vote on a resolution authorizing the execution of the project's final transaction documents. Prior to both meetings, staff shall provide the documents or similar ones that convey the same information: (a) "Project Summary Information Sheet" (updated as needed); (b) "Project Selection Criteria"; (c) "Project Tracking Checklist." At the Board meeting, staff shall present any relevant issues for Board discussion before the Board votes on the final resolution.

### **III. Emergency Final Approval**

SEAL Trust may occasionally be under pressure to complete a transaction quickly. This may not allow enough time to convene a Board meeting. In this rare situation, the Executive Committee may vote on an emergency resolution authorizing action if the transaction has received at least Preliminary Approval under this section. Every member of the Executive Committee must approve the action in person, by phone, or by email. Emergency approvals require the completion of an Environmental Assessment report, staff approval of the Title Report, and the fulfillment of any obligations imposed by agreements related to project funding.

### **IV. Policy Review**

The SEAL Trust Board of Directors will review the "Board Approval of Land Transactions Policy" at least once every three years and update or amend the policy, as needed.



ADOPTED: October 19, 2010

AMENDED: March 21, 2012

## POLICY

### Conflict of Interest

#### I. Definitions

**Conflict of Interest:** A Conflict of Interest arises when Insiders are in a position, or perceived to be in a position, to benefit financially by virtue of their position within the non-profit organization. A Conflict of Interest exists any time an Insider, or an entity, organization or government agency in which the Insider has a Material Financial Interest, is a party to a Contract or Transaction with Southeast Alaska Land Trust (SEAL Trust), is seeking to do business with SEALTrust, or is competing with SEAL Trust in any Contract or Transaction with a third party.

**Insider:** An Insider is defined as a SEAL Trust board or staff member, a substantial contributor (\$5,000 per year or more), a person related to the above (including domestic partners), and a person with access to information not available to the general public (e.g., bookkeeper, certain volunteers, etc.).

**Material Financial Interest:** A material financial interest is defined as a financial interest of any kind, which, in view of all circumstances, is substantial enough that it would, or reasonably could, affect an Insider's judgment with respect to a Contract or Transaction. This includes all forms of employment and compensation, an ownership or investment interest of five percent or more. It also may include situations where an Insider may have his or her own property value enhanced by a SEAL Trust project on neighboring land.

#### II. Purpose

The purpose of this Conflict of Interest Policy is to ensure that SEAL Trust meets the highest standard of professionalism and sound business practices in pursuing conservation projects and transacting general business. The Policy provides a guideline whenever the organization contemplates entering into a transaction or arrangement that may be perceived as providing private "inurement" (benefiting the private interest of an Insider.) This guidance should help avoid any public perception of:

- **Self-Dealing:** An Insider acting to financially benefit from a Contract or Transaction taken by SEAL Trust.
- **Opposing Loyalties:** An Insider acting with opposing or competing loyalties due to other business or personal relationships.
- **Loss of Credibility:** An Insider's actions in outside professional or personal roles may cause discomfort or loss of public credibility.

This policy is intended to supplement but not replace any applicable state and federal laws governing Conflict of Interest applicable to nonprofit and charitable organizations.

### **III. General Procedures**

- A. A copy of this Policy is given to all employees and members of the Board upon commencement of their relationship with SEAL Trust. Each employee and member of the Board shall sign and date a copy of the Attachment A, acknowledgement and general disclosure statement, at the beginning of his or her term of service, and whenever their circumstances change or the Policy is amended. Failure to sign does not nullify the policy.
- B. An insider who is a substantial contributor, as defined in Section I, shall complete a copy of Attachment B, major donor acknowledgement statement, provided by the executive director.
- C. The Board President shall be responsible for the application and interpretation of this Policy as it relates to members of the Board of Directors. The Executive Director shall be responsible for the application and interpretation of this Policy as it relates to employees of SEAL Trust. The Board President and the Executive Director will be jointly responsible for the application and interpretation of this Policy as it relates to other Insiders.
- D. The minutes of formal meetings of SEAL Trust shall reflect all instances when an Insider discloses a potential Conflict of Interest or refrains from voting on an item of business. A Conflict of Interest file will be kept pursuant to SEAL Trust's Records Management Policy.

### **IV. Procedures for Managing a Potential Conflict of Interest**

Prior to taking action on a Contract or Transaction involving a potential Conflict of Interest, the following procedures will determine whether or not a Conflict of Interest exists, and how to address a Conflict of Interest in the event one is determined to exist.

- A. Duty to Disclose. In connection with any actual or possible conflict of Interest, an Insider must disclose the existence of the potential Conflict of Interest and be given the opportunity to disclose all material facts to the Board or Executive Director (as identified in Section III C.) This disclosure shall be made as soon as the Insider knows of the potential Conflict of Interest and, except for conflicts that unexpectedly arise during the course of a meeting, on a form provided by the executive director (Attachment C. Potential Conflict Of Interest Disclosure Statement) or in writing containing substantially the same

information. The Insider must refrain from any action that may affect SEAL Trust's participation in such Contract or Transaction.

If a major donor is involved, the President of the Board or Executive Director will bring the potential conflict to the Board's attention. The disclosure shall be reflected in the minutes of any meeting in which the Contract or Transaction is discussed or acted upon.

Insiders who are not members of the Board, and who have a Conflict of Interest with respect to a Contract or Transaction that is not the subject of Board or committee action, must disclose in writing to the Executive Director any Conflict of Interest that the Insider has with respect to the Contract or Transaction.

- B. Presentation of Material Facts and Determination: After hearing all material facts, the individual having a Conflict of Interest shall leave the meeting to allow the Board and Executive Director to determine whether such a conflict exists. Alternatively, the individual may stipulate their conflict.
- C. Subsequent Actions related to the Contract or Transaction: If the Board determines that an individual has a Conflict of Interest, the individual shall not participate in any discussion or vote on any matters related to that Contract or Transaction.
  - 1. The Board shall ask the individual to leave the room during any related discussion and vote.
  - 2. If the Conflict of Interest involves contracting for services, or other financial transaction for which other options are available, the Board may choose to appoint a disinterested person and/or committee to evaluate the alternatives.
  - 3. In the event that the transaction is exclusive, and/or is determined that the benefit accruing to the organization exceeds any Conflict of Interest concerns, the Board shall determine by a majority vote of disinterested members whether or not to proceed.
  - 4. Board Minutes shall note the determination of a Conflict of Interest, the conflicted Board member's absence from any Board discussion, and their abstention from any vote on the Contract or Transaction..
  - 5. The absence of a Board member due to Conflict of Interest shall not be a consideration in determining whether a quorum exists.

D. Records of Proceedings. The minutes of the Board meeting shall contain the following:

1. The name(s ) of the person(s) who disclosed or otherwise were found to a possible Conflict of Interest, the specific Transaction or Contract involved, the nature of their financial interest, any action taken to determine whether a Conflict of Interest was present, and the Board's decision as to whether in fact a Conflict of Interest existed.
2. The names of the persons who were present for discussions and votes relating to the Contract or Transaction, the content of the discussion, including any alternatives to the proposed Contract or Transaction, and a record of any votes taken in connection with the proceedings.

#### **V. Violations of the Conflict of Interest Policy**

- A. If the Board or Executive Director has reasonable cause to believe an Insider has failed to disclose an actual, potential, or perceived Conflict of Interest, he/she shall inform the Insider in writing of the basis for such belief and afford the Insider an opportunity to explain in writing the alleged failure to disclose.
- B. If, after receiving the response from the Insider, and making further investigation as warranted by the circumstances, the Board or Executive Director determines the Insider has failed to disclose an actual, potential, or perceived Conflict of Interest, it shall take a disciplinary and corrective action.
- C. Employees of SEAL Trust may not accept gifts of more than nominal value from individuals or entities associated with SEAL Trust when the relationship between the employee and the donor exists as a result of the employee's employment with SEAL Trust.

#### **VI. Confidentiality**

It is the policy of SEALTrust to maintain the confidentiality of sensitive information and to protect its proprietary data. Each Insider must exercise care not to disclose confidential information, or information the disclosure of which might reasonably be expected to be adverse to the interests of SEALTrust. Furthermore, an Insider does not disclose or use information relating to the business of SEALTrust for the personal benefit (inurnment) or advantage of the Insider.

#### **VII. Transactions with Insiders**



- A. For purchase or sale of real property to an Insider, SEAL Trust obtains a qualified independent appraisal prepared in compliance with the Uniform Standards of Professional Appraisal Practice by an appraiser licensed and certified by the State of Alaska who has verifiable conservation easement or conservation real estate experience.
- B. When selling real property to an Insider, SEAL Trust competitively markets the property in a manner sufficient to ensure that the property is sold at or above prevailing market value.

#### **VIII. Policy Review**

The Board of Directors will review at least annually the Policy on Conflict of Interest, and update or amend the Policy as needed. Any changes to the Policy shall be communicated immediately to all Insiders.

**ATTACHMENT A**

**SOUTHEAST ALASKA LAND TRUST (SEALTrust)  
CONFLICT OF INTEREST POLICY**

**Acknowledgement and General Disclosure Statement**

As a member of the SEALTrust Board of Directors, SEALTrust Executive Director, SEALTrust staff member, or a person with access to SEALTrust information not available to the general public, I hereby acknowledge that I have received a copy of SEAL Trust’s Conflict of Interest Policy. I have read and understand the policy, and I agree to comply with the policy.

In answering the following questions I have, to the best of my knowledge, included such material interests of my spouse/domestic partner, natural or adopted child, parent or step-parent, in-laws, grandchild, grandparents, brother or sister. In determining whether I have a “material interest” in any entity, it is understood that “material interest” includes a position such as an officer, partner, director or trustee, or the ownership of 5% or more of the beneficial or proprietary interest in the entity.

1. Are you an officer or director of any for profit/non-profit corporation or entity with which SEALTrust has business dealings?      \_\_\_\_\_ YES      \_\_\_\_\_ NO

If the answer is “yes,” please list the names of such profit/non-profit corporations or entities and the office held.

Corporation	Office Held
_____	_____
_____	_____

Please describe any potential Conflict of Interest you believe may or may exist as a result of your affiliation with a profit/non-profit corporation or entity. Disclose all facts you believe are material to determining a potential Conflict of Interest.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

2. Do you, or your spouse/domestic partner, natural or adopted child, parent or step-parent, in-laws, grandchild, grandparents, brother or sister, have a financial interest in, or receive any remuneration from, any business organization with which SEALTrust has business dealings? \_\_\_\_\_ YES \_\_\_\_\_ NO

If the answer is "yes," please supply the following information:

- Name(s) of the business organization(s) in which such interest(s) is/are held and the person(s) by whom such interest(s) is/are held:

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Please describe any potential Conflict of Interest you believe may or may exist as a result of your spouse/domestic partner, natural or adopted child, parent or step-parent, in-laws, grandchild, grandparents, brother or sister, have a financial interest in, or receive any remuneration from, any business organization with which SEALTrust has business dealings. Disclose all facts you believe are material to determining a potential Conflict of Interest.

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I agree to report future changes in the status of my affairs with respect to the areas covered by the above questions.

It is understood that this disclosure statement becomes part of the SEALTrust Confidential File pursuant to the SEALTrust Recordkeeping Policy, to be used only to the extent necessary for the administration and verification of the SEALTrust Conflict of Interest Policy.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_

Position or Title

**ATTACHMENT B**

**SOUTHEAST ALASKA LAND TRUST (SEALTrust)  
CONFLICT OF INTEREST POLICY**

**Major Donor Acknowledgement Statement**

I understand the SEALTrust is a 501(c)(3) charitable organization, and that in order to maintain its federal tax exemption it must engage in activities which accomplish one or more of its tax-exempt purposes. I also acknowledge that I have received no SEALTrust goods or services or private benefit in consideration of any contribution I have provided to SEALTrust.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Position/Relationship to SEALTrust

**ATTACHMENT C**

**SOUTHEAST ALASKA LAND TRUST (SEALTrust)  
CONFLICT OF INTEREST POLICY**

**Potential Conflict of Interest Disclosure Statement**

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Position/Relationship to SEALTrust

\_\_\_\_\_  
Project Name/Contract or Transaction

- 1) Describe the nature of the potential Conflict of Interest you believe may or may not exist.
  
  
  
  
  
  
  
  
  
  
- 2) Disclose all pertinent facts you believe may be relevant to the Project Name/Contract or Transaction noted above. Specific financial details are NOT required.
  
  
  
  
  
  
  
  
  
  
- 3) State your suggested course of action for the Board to implement to establish a reasonable resolution of the potential Conflict of Interest.

\_\_\_\_\_  
Signature



ADOPTED: May 23, 2012

AMENDED: N/A

## POLICY

### Fundraising

#### I. Purpose

The purpose of this Fundraising policy is to establish legal and ethical fundraising practices for the Southeast Alaska Land Trust (SEAL Trust). The guidance found in this policy will ensure that SEAL Trust not only meets short-term needs but also maintains the long-term credibility of the organization. This policy further encourages SEAL Trust to be accountable to and honest with its donors and the public. Fundraising includes outreach to third parties to raise funds, but does not include in-lieu fee funding, grants, or any government funding.

#### II. Legal and Ethical Practices

##### A. *Legal Practices*

SEAL Trust will follow all applicable laws of the State of Alaska governing the solicitation of contributions.

##### B. *Ethical Practices*

First, SEAL Trust will not spend more than thirty (30) percent of related contributions on fundraising. Related contributions are defined as gifts received as a result of fundraising expenditures. Second, SEAL Trust will carefully and accurately calculate these fundraising expenses using generally accepted accounting procedures. Third, in rare situations, it may be necessary for SEAL Trust to exceed this percent limit. In such instances, a Board of Directors discussion and approval of the overage shall be recorded in Board meeting minutes. Finally, when requested, SEAL Trust will truthfully disclose its fundraising costs.

#### III. Accountability to Donors

##### A. *Donor Code of Ethics*

SEAL Trust adopts the Independent Sector's code of ethics (2004) for fundraising. This code states that when raising funds from the public, SEAL Trust will respect the rights of donors:

- "To be informed of the mission of [SEAL Trust], the way the resources will be used and its capacity to use donations effectively for its intended purposes;
- To be informed of the identity of those serving on [SEAL Trust's] Board of Directors and to expect the Board to exercise prudent judgment in its stewardship responsibilities;
- To have access to [SEAL Trust's] most recent audited financial report;

- To be assured their gifts will be used for the purposes for which they were given;
- To receive appropriate acknowledgement and recognition;
- To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by the law;
- To expect professional and respectful conduct from [SEAL Trust's] staff;
- To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors;
- To have the opportunity for their names to be deleted from mailing lists that [SEAL Trust] may intend to share; and
- To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.”

B. *Donor Communication*

SEAL Trust shall take care to advise donors about the extent of a gift's tax deductibility in its fundraising materials and solicitations. The following types of donation will require special notice to the donor.

1. *Quid pro quo*. If a donor contributes to SEAL Trust in consideration for goods and services furnished to the donor by the organization, the donor can only deduct the portion of the donation that exceeds the fair market value of a premium or other substantial benefit received. In this situation, SEAL Trust shall provide the following:
  - (a) notice to the donor that the deductible amount of their contribution is limited to the amount of the payment that exceeds the value of the goods or services provided;
  - (b) a good faith estimate of the value of those goods and services, which is based on an estimate of their fair market value; and
  - (c) notice of (a) and (b) in a manner that is reasonably likely to come to the attention of the donor.
2. *Insubstantial benefits*. If the benefits of a donation are found to have “insubstantial value,” SEAL Trust must provide the following notice:
 

Under IRS guidelines, the estimated value of [*insert benefits received*] is not substantial; therefore, the full amount of your payment is a deductible contribution.

To qualify as insubstantial, the contribution must have been made in the context of a fundraising campaign in which SEAL Trust informed potential donors how much of their payment would be a deductible contribution. In addition, one or more of the following criteria must be met:

- (a) the good's fair market value does not exceed two percent of the donor's payment or the maximum payment allowed by the IRS<sup>1</sup>, whichever is less;
  - (b) the donor's payment equals or exceeds a value determined by the IRS<sup>1</sup> and the only benefits received in connection with it are "token items" bearing the organization's name or logo and costing less the value determined by the IRS<sup>1</sup>; or
  - (c) the benefit is a newsletter that is not of commercial quality.
3. *Raffle Tickets, etc.* In accord with the IRS's stance, no part of any payment for raffle, lottery, bingo game admission, auction tickets, or admission tickets that make the donor eligible for a door prize is deductible whether the donor wins or not. SEAL Trust shall advise donors of such when they purchase one of the above items.

C. *Substantiating Donations*

To substantiate how donations are spent and thus inspire confidence in our donors, SEAL Trust shall:

1. keep accurate financial records; and
2. provide a written thank you letter to all donors that acknowledges the amount received and reiterates the purpose for which it is to be used.

#### **IV. Accurate Representations**

SEAL Trust shall not mislead donors about the organization's financial need, use of funds, or donor obligations. SEAL Trust shall use the following guidelines in solicitations and publications.

A. *Accuracy and Completeness.*

SEAL Trust shall:

1. not exaggerate its accomplishments;
2. not use fictionalized or composite stories unless it is disclosed that the facts have been changed; and
3. always provide a source for more written information.

B. *Representations about Activities and Use of Funds*

SEAL Trust shall:

1. not make exaggerated claims about what the organization will accomplish with a donor's gift;
2. describe solutions as well as problems;
3. specify whether funds are restricted or general operating;
4. only include financial information that can be backed up by the Trust's financial statements or budget; and

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<sup>1</sup>These values are updated annually and available from the IRS Exempt Organizations Customer Account Services.



5. accurately reflect its fundraising need in the annual budget.

C. *Representations about Donor's Obligations*

SEAL Trust shall not:

1. send unordered items or merchandise without clearly stating that the donor is under no obligation to pay for or return them; and
2. send a survey without clearly stating that the donor has no obligation to return it.

D. *Surpluses and Shortfalls*

SEAL Trust shall:

1. specify what will happen to any surplus funds collected during a campaign;
2. in the event of a failure of a project that is the subject of a campaign, offer donors the choice of allowing the organization to apply the funds to its other work or having their contributions returned; and
3. if the organization is unsure of its ability to complete a particular project, it may ask for pledges that will only be called in if it is clear that SEAL Trust will reach its goal.

E. *Donor Restricted Gifts*

SEAL Trust may accept donor restricted gifts. SEAL Trust will work with interested donors to explore what they want to accomplish through the gift so that it can be best applied to the Trust's mission and programs. If SEAL Trust cannot honor the donor's wishes, it will refuse the gift.

## **V. Marketing Agreements**

Although marketing agreements can be a way to raise awareness about SEAL Trust, they should be carefully evaluated to ensure that the benefits are maximized and unnecessary risks are avoided. SEAL Trust must be certain that the activity does not impair the credibility of the Trust and that any financial benefit to the Trust is clearly disclosed. The following will provide general guidelines for marketing agreements.

- A. SEAL Trust will only work with partners that have a logical synergy with the Trust and provide appropriate vehicles to communicate the Trust's values and benefits.
- B. The outcome of the marketing activity should be at least two of the following benefits: (1) increase SEAL Trust's brand exposure, (2) accomplish education/outreach goals, or (3) generate substantial revenue for SEAL Trust.
- C. The SEAL Trust Board of Directors shall consider (A) and (B), as recorded in meeting minutes, before entering into a marketing agreement.
- D. SEAL Trust's name and logo may not be used by outside parties without consideration and authorization by the Board of Directors, as recorded in a resolution and minutes. SEAL Trust must grant formal written permission for all uses by outside parties through enforceable agreements.

- E. In all marketing activities, information shall be readily available to the consumer at the point of solicitation regarding the payment made that will be made by the company to SEAL Trust. The duration of the campaign and any minimum or maximum contribution amount should also be disclosed.
- F. SEAL Trust does not endorse its marketing partners and does not endorse, advertise, or promote their products and services. Wherever feasible, SEAL Trust should seek to include some form of this statement on the marketing materials that bear SEAL Trust's name or logo.



ADOPTED: May 23, 2012

AMENDED: March 27, 2013

## POLICY

# Financial Management and Investment

### *Table of Contents*

- I. Purpose
  - II. Roles and Responsibilities
  - III. Annual Budget
  - IV. Financial Records and Payroll
  - V. Financial Reports, Other Reports and Statements
  - VI. Annual Financial Review or Audit
  - VII. Internal System for Handling Money
  - VIII. Investment and Management of Financial Assets and Dedicated Funds
  - IX. Stewardship Fund
  - X. Sale or Transfer of Assets (including Land and Easements)
  - XI. Risk Management and Insurance
  - XII. Whistleblower Protection
- Appendix A. Finance Committee

### **I. Purpose**

The purpose of this policy is to establish guidance for Southeast Alaska Land Trust (SEAL Trust) financial management. Such guidance will help ensure that SEAL Trust follows proper and consistent procedures in its annual budgeting, maintenance of financial records, preparation of financial statements and reporting, conducting the annual review or audit, implementation of internal controls for handling money, and investment and management of financial assets. Adherence to this policy will also help ensure that the financial management practices of SEAL Trust are transparent and compliant with all applicable standards, while remaining in form and force through any future organizational change.

The financial management practices of SEAL Trust will conform to Generally Accepted Accounting Principles (GAAP), SEAL Trust Conflict of Interest Policy, SEAL Trust Records Management Policy, and meet or exceed the Land Trust Alliance Standards and Practices for Financial and Asset Management (Standard 6).

## II. Roles and Responsibilities

**Section I.** The SEAL Trust By-Laws, as well as the recorded resolutions and decisions of the Board of Directors, authorize certain roles and responsibilities for the applicable officers, board committee and staff of SEAL Trust:

- a. President. The Board President will perform the duties normally attendant upon such an officer, including the monetary and financial affairs of the Trust.
- b. Treasurer. The Treasurer will:
  - have charge of, and be responsible for, all funds and securities of the Trust;
  - supervise the disbursement of monies of the Trust;
  - make available SEAL Trust's books of account and records to any of the Directors of the Trust at the office of the Trust, where such books are kept;
  - provide a statement of the condition of the finances of the Trust at regular meetings of the Board at a frequency identified in this policy; and,
  - in general, perform all the duties incident to the Office of Treasurer and such other duties as from time to time may be assigned by the Board or by any committee authorized to do so.
- c. Finance Committee. The committee will exercise its oversight responsibilities as outlined in the attached Finance Committee description (Appendix A).
- d. Executive Director. The Executive Director will supervise the administration of the financial affairs of the Trust, subject to the general supervision and oversight of the President, Treasurer, and Finance Committee. Additionally, the Executive Director is responsible for:
  - overall coordination/review of all accounting/reporting functions;
  - compiling, filing and tracking all external financial reporting, including the preparation of quarterly and annual state and federal reports, and signing as required;
  - preparation and submission of state and federal tax documents;

- development and execution of annual work plan, budget and revisions, and outside grants;
- internal and Board financial reporting;
- preparation and Board approval of annual audit or financial review;
- staff compensation recommendations to the Executive Committee and Board of Directors; and
- other special financial requirements or reporting, as requested by the Board of Directors or required by authorized agency.

### **III. Annual Budget**

**Section 1. General.** SEAL Trust’s fiscal year runs from January 1 to December 31. Working with the Treasurer, the Executive Director is responsible for preparing a proposed annual budget for submission to the Finance Committee for its review by November 15. The Finance Committee recommends the proposed annual budget to the full Board. Approval of the proposed budget by the Board of Directors should occur prior to the beginning of each fiscal year on January 1.

**Section 2. Budget Components.** SEAL Trust’s budget shall contain:

- a. Annual revenue figures derived from projected funding sources, including individual, foundation and corporate donors; investment income; grant receipts; and payments for services provided to individuals or other entities.
- b. Annual expense figures derived from personnel and administrative cost projections, development expenses, and program costs related to land conservation.
- c. Unless specifically authorized by the Board of Directors, the annual budget will be balanced, with either a neutral outcome or minimal gain in any given fiscal year. A deficit budget, other than one based on the In-lieu Fee Program (see subsection III.2.d below), will only be approved by the Board of Directors after careful review and only under extraordinary circumstances. The Board resolution approving a deficit budget will document the Board of Directors’ justification for the planned loss and its approval to expend SEAL Trust reserves to meet expense obligations for the fiscal year.
- d. Because of the timing of expenditures of In-lieu Fee (ILF) monies for land conservation, the budget for any given year may show a deficit. The Board recognizes the nature of ILF income and expenses, and will assure that there are sufficient monies in the ILF Program Account to cover ILF expenditures for land conservation in any given year.

**Section 3. Annual Budget Reporting and Amendments.** The Executive Director will provide to the Board of Directors at least quarterly at its regular meetings a current financial report that presents actual income and expenses year-to-date by category in comparison with the annual budget by category, and an explanation for any significant variance from the approved budget. As warranted, the Board of Directors may request that the Executive Director, in conjunction with the Finance Committee, propose any amendment to the approved annual budget to address a significant variance. The Board of Directors may choose to approve the addition to the budget of non-budgeted revenue or expense that occurs during the fiscal year.

#### **IV. Financial Records and Payroll**

**Section 1. Financial Records.** All financial records are maintained on an accrual basis in accordance with Generally Accepted Accounting Principles, applicable state and federal requirements, pertinent procedures related to specific grants or contracts, and SEAL Trust Records Management Policy. SEAL Trust uses QuickBooks as its basic financial recordkeeping system. The recordkeeping system is designed to provide double-entry book keeping by the SEAL Trust bookkeeper, allow proper allocation of income and expenses among various programs and grants, and to provide the staff, Finance Committee, and Board of Directors with timely financial results. QuickBooks data files are backed up regularly according to SEAL Trusts Records Management Policy using an off-site, web-based system.

**Section 2. Payroll and Reporting.** Based on recommendations from the Executive Director, the salary/pay rates for all employees are approved by the Executive Committee of the Board of Directors, with individual salary decisions provided in writing by the Executive Director to each employee. Based on employee timesheets, the SEAL Trust bookkeeper will provide the Executive Director with a monthly payroll report, detailing each employee's withholding schedule, including FICA, Medicare, federal and state tax withholding amounts, and net salary payments. The SEAL Trust bookkeeper makes timely federal and state payroll withholding deposits and prepares all required state and federal quarterly tax reports and annual W-2 forms, and provides them to the Executive Director for signature.

#### **V. Financial Reports, Other Reports and Statements**

**Section 1. Financial Reports.** The Executive Director submits to the Board of Directors for its review the quarterly financial reports and annual financial statement prepared from the bookkeeping records.

## **Section 2. Other Reports and Statements.**

- a. SEAL Trust's annual IRS Form 990 is completed by an outside CPA firm, which works with the Executive Director and SEAL Trust bookkeeper, in a timely manner to allow the Executive Director approval and submittal prior to the IRS deadline.
- b. SEAL Trust's annual In-lieu Fee Program report is completed by the Executive Director and submitted to the U.S. Army Corps of Engineers by the March 31 deadline.

## **VI. Annual Financial Review or Audit**

**Section 1. Financial Review or Audit.** A financial review or audit is conducted every year by an outside CPA firm, in accordance with Generally Accepted Auditing Standards and other pertinent standards. Upon request of the Board President, the Finance Committee may represent the full Board of Directors in the execution of the annual financial review or audit. All materials for financial review or audit are compiled by Executive Director, or his/her designee, working with the SEAL Trust bookkeeper and Treasurer. The CPA firm's report is presented to the full Board of Directors for review and approval by a majority vote of the Board of Directors present at the meeting.

## **VII. Internal System for Handling Money**

**Section 1. General.** Subject to the limitations of this policy, all checks, drafts, notes, bonds, acceptances, deeds, leases, contracts, and all other documents and instruments will be signed, executed, and delivered by the Executive Director, or any member of the SEAL Trust staff or Board of Directors who has signatory authority on the account or document in question.

**Section 2. Limits on Staff Financial Activities.** The Executive Director is responsible for all day-to-day monetary transactions including: cash receipts, bill payment, and payroll, cash balance maintenance, coding and entry of all transactions into the QuickBooks financial recordkeeping system, periodic reporting, and reconciliation of all financial accounts. In addition, the Executive Director is authorized to:

- a. sign checks for operational expenditures up to \$3,000, not including checks written to the Executive Director;
- b. contingent on cash flow, sign checks for pre-approved grant-related expenditures that will be reimbursed through approved grant funding;
- c. execute transfer of funds not to exceed \$40,000 between existing Trust accounts to ensure cash flow stability;

- d. sign all operations contracts and documents (e.g., leases, vendor agreements, accounting contracts, consultant agreements, etc.); and
- e. In the absence of the Executive Director or for reimbursements to the Executive Director, the Conservation Specialist is authorized to sign checks up to \$500, not including checks written to the Conservation Specialist.

**Section 3. Board Oversight.** The Treasurer, or another Finance Committee member as designated by the Treasurer, shall provide oversight of certain financial duties performed by the Executive Director by regularly reviewing the Trust's monthly bank statements to verify check-writing and fund transfers.

## **VIII. Investment and Management of Financial Assets and Dedicated Funds**

**Section 1. Short-Term Accounts and Investments.** SEAL Trust maintains a variety of monetary accounts to efficiently receive and distribute funds to meet short-term operating requirements, while investing operating reserves and restricted funds according to an investment strategy that emphasizes preservation of capital. Such funds shall be invested primarily for generation of income, in an amount sufficient to offset inflation. Checking and saving accounts are only maintained at insured institutions. SEAL Trust's short-term accounts include the following:

### a. Operating Funds

1. Checking. The Trust may have one or more checking accounts. The primary checking account is the main source of funds for day-to-day operations of SEAL Trust. It is the initial repository for all unrestricted, grant, and In-lieu Fee receipts. Restricted funds are transferred from this account to restricted accounts, until needed for specific program expenses. The checking account is used to pay all operating costs and program expenses. The Executive Director is responsible for ensuring adequate funds are in the account to meet anticipated expenses, and is authorized to transfer funds not to exceed \$40,000 into/out of the account to meet financial obligations or to balance operating fund accounts. Under normal operating conditions, funds in the checking account will not exceed \$40,000. A secondary checking account may be used for other purposes, such as processing credit card donations.
2. Savings. The savings account holds unrestricted funds for operation cash flow.

### b. Restricted Accounts



SEAL Trust maintains certain monies received for specific purposes in short-term investment accounts invested primarily in a ladder of Certificates of Deposit of limited maturity (3 months to 3 years). SEAL Trust has the following restricted accounts:

1. In-lieu Fee (ILF) Restricted. These ILF monies are used for acquisitions of conservation property interests with wetland and other aquatic resource attributes to meet SEAL Trust's obligations under its ILF Program with the U.S. Army Corps of Engineers.
2. ILF Restricted High Yield Savings. These ILF monies are used to meet SEAL Trust's obligations under its ILF Program, as in above Wells Fargo ITS account.
3. Huzier Parks & Easements Restricted Fund. These donation monies are dedicated to acquisitions of parks and conservation properties.
4. Restricted Donations. These donations are held for specific projects or purposes.

**Section 2. Long-term Investment/Brokerage Account(s).** Certain restricted funds are approved by the Board of Directors and dedicated for specific, long-term purposes. These funds are invested in individual equities, mutual funds or fixed income securities and held in a SEAL Trust brokerage account. These funds include the SEAL Trust Stewardship Fund held and managed by a professional financial manager.

**Section 3. General Investment Principles.** SEALTrust funds shall be invested with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in like capacity and familiar with such matters would use in the investment of funds of like character and with like aims. Investments shall be diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

**Section 4. Investment Objectives.** In order to meet its needs, SEALTrust shall have two investment strategies, as follows:

- a. The investment strategy for its general operating funds is preservation of capital. Such funds shall be invested primarily for generation of income, in an amount sufficient to offset inflation.
- b. The investment strategy for the Stewardship Fund (SF) is total return, that is, the aggregate return from capital appreciation, plus dividend and interest income. SEALTrust desires to achieve an average total return for the SF of 8.0 per cent per annum over a five to ten year

period. No more than 70% of the SF shall be invested in stocks or stock mutual funds. Stock and stock mutual fund purchases shall be invested according to socially responsible principles as much as possible, while complying with SEALTrust's General Investment Principles, described above. The Finance Committee shall annually review the SF's investments and asset allocation.

## **IX. Stewardship Fund**

**Section 1. Purpose.** By acquiring a conservation easement or fee-simple conservation property, SEAL Trust assumes the obligation to uphold the terms of the easement or management of the fee-simple property in perpetuity. To ensure funds to adequately carry out its monitoring, enforcement and/or management obligations, SEAL Trust has established a stewardship fund (SF).

**Section 2. Contributions to the Stewardship Fund.** The SF is invested in FDIC or SIPC insured accounts. Cash and securities contributed to the SF shall be segregated from all other SEAL Trust accounts. The SF monies are generated from cash and securities contributed to SEAL Trust by conservation easement or fee-simple land grantors, other donors, fundraising, and cash transferred from a restricted ILF account for stewardship of properties acquired under SEAL Trust's ILF Program. Income received accrues to the SF.

Contributions to the SF are normally pooled in a single account for investment purposes, but will be segregated administratively into two sub-accounts: ILF Properties Stewardship and Other Properties Stewardship. Within each sub-account, contributions are pooled and the funds may be used to pay monitoring and recordkeeping, enforcement, legal defense, and management costs for all properties SEAL Trust stewards under that sub-account.

Specific contributions to the Stewardship Fund shall be treated as follows:

- a. For a donated easement or fee-simple property, the landowner conveying the conservation interest to SEAL Trust shall be requested to provide a charitable contribution to the SF. Contributions may be
  - accepted as a cash payment or an approved non-cash contribution of securities or trade land at the time of the conservation interest conveyance,
  - provided in a schedule of annual cash payments approved by the Board of Directors and generally not to exceed three years in length, or
  - provided as a bequest with prior approval of the SEAL Trust Board of Directors.

- b. If the landowner does not provide a contribution to the SF, then the landowner will be encouraged to assist SEAL Trust's efforts to raise the required contribution to the SF. In addition, SEAL Trust must begin fundraising efforts prior to signing the easement.
- c. For all easements or fee-simple properties, whether donated or purchased, stewardship funds may also be solicited from individuals, foundations or corporations, or the funds may be raised through specific activities with proceeds dedicated to the SF. Unrestricted trust funds may also be placed in the SF at the discretion of the Board of Directors.
- d. After the conveyance of each conservation easement or fee-simple property, SEAL Trust will deposit an appropriate sum into the SF. The actual amount will depend upon the factors of the particular property involved (see IX.3. Determination of Contribution to SF).
- e. Contributions to the SF shall be recorded by fund source and project name but shall not be maintained as funds restricted to a particular property.

**Section 3. Determination of a Contribution to the Stewardship Fund.** The amount requested as a contribution to the SF will be based on the best estimate of the annual monitoring and recordkeeping, enforcement measures, and management costs to satisfy conservation restrictions or fee-simple property protections. The amount will also include best estimates of the legal defense costs, factoring in the probable likelihood of a legal action in any given year. The aggregate costs for annual stewardship of a property will reflect current administrative costs and paid staff time, and any special circumstances which might impact monitoring costs (e.g. the complexity of the conservation easement or property interest, or the size and remoteness of a property). Using a Land Trust Alliance or similar model, the requested contribution, or fee, will be computed based on the long-term real rate of return (U.S. Treasury 30-year Bond rates – U.S. inflation rates) to generate sufficient income annually to support probable stewardship expenses for that property.

**Section 4. Stewardship Costs and the Adequacy of the Stewardship Fund.** The Executive Director, in conjunction with the Finance Committee, will regularly prepare an analysis of actual stewardship efforts and the costs incurred in sufficient detail to evaluate the accuracy of the SF contribution, or fee, calculations under Section IX.3. The Executive Director shall modify the formulas and assumptions used to calculate future contributions, as warranted, based on this analysis, increased costs, and adjustments in the long-term U.S. real rate of return. The analysis of stewardship costs will be performed at least every two years, following completion of the SEAL Trust annual financial statement.

The Executive Director will regularly prepare an analysis of the adequacy of the Stewardship Fund's two sub-accounts (ILF Properties Stewardship and Other Properties Stewardship). Average annual costs for each sub-account for a three-year period will be compared with the average annual income of the SF, net of inflation, for a trailing three-year period. Since stewardship funds are pooled for investment purposes, the annual income amount will be apportioned to the two sub-accounts based on the value of their year-end balance in the preceding year and then averaged over the three-year period of analysis.

The Stewardship Fund adequacy report will be reviewed by the Finance Committee, and if it is determined that one or more SF sub-account is deemed inadequate to support stewardship activities, the following actions may be warranted.

- a. The Executive Director will examine stewardship activities to identify and institute efficiencies and cost reductions.
- b. The Finance Committee will report to the full Board of Directors on the estimated deficiency in one or more SF sub-account.
- c. At the request of the Board of Directors, the Finance Committee, in conjunction with the Executive Director, will develop and execute a fundraising plan to fully fund the deficient SF sub-account.

**Section 5. Withdrawals from the Stewardship Fund.** SEAL Trust shall withdraw from the SF only that amount needed to cover the actual costs of stewardship responsibilities. Documentation of actual costs will follow SEAL Trust's Records Management Policy for financial records. Actual expenses will be segregated between the ILF Properties Stewardship sub-account and the Other Properties Stewardship sub-account.

SEAL Trust shall not withdraw money, including borrowing with repayment plus interest, from the SF for any purpose other than to pay for the expenses of easement and fee-simple property stewardship (i.e., annual or special monitoring, recordkeeping, enforcement measures, legal defense, and management). The only exceptions to this policy may be when

- a. SEAL Trust takes action to dissolve itself as an organization,
- b. SEAL Trust terminates its land trust program and does not hold any conservation easements or fee-simple properties at that time; or
- c. SEAL Trust transfers title to a conservation property to another qualified conservation entity or public land management agency.

If SEAL Trust holds easements or fee-simple properties at the time it dissolves itself as an organization, terminates its land trust program or transfers its property interest in an individual property, then it may transfer, on a property basis, the proceeds of its SF account to the entity(ies) assuming the responsibilities of monitoring, enforcing, legally defending and managing those conservation easements or fee-simple properties.

For easements or properties acquired under the ILF Program, SEAL Trust will follow the federal notification and transfer requirements in effect at the time of termination of its ILF Program or its land trust program.

**X. Sale or Transfer of Assets (including Land and Easements).** From time to time, SEAL Trust may receive, by charitable gift, bequest, or purchase through a bargain sale, real property, personal property, or financial instruments such as securities or mutual funds. The Board of Directors has adopted this policy to guide decisions on the receipt, holding, transfer and resale of such marketable assets by SEAL Trust. SEAL Trust welcomes gifts of land or other marketable property which can be used, managed or sold by the organization to further its nonprofit conservation mission when consistent with the following guidelines.

a. The intent of the donor should be clearly communicated to SEAL Trust in writing, including, if applicable, the program or project the donor wishes to benefit from the gift of marketable assets. Options SEAL Trust may choose for the management, sale or transfer of donated marketable assets, and how the proceeds will further the donor's charitable intent, should be disclosed and discussed with the donor in advance of the gift if possible. In some cases, a written donation agreement may be appropriate.

b. Any asset offered for donation or sale to SEAL Trust will be carefully evaluated, using outside professional advisors where appropriate, to ensure that it is in a usable, safe and marketable condition at the time of the transfer. Consideration will be given to the level of staff work required, potential liability of ownership, and other issues related to accepting, managing and liquidating a donated asset, compared to its value to the organization.

c. Donations of corporate securities, bonds, mutual funds or other marketable financial instruments normally will be sold upon receipt, and the proceeds of sale transferred to the appropriate SEAL Trust account to fulfill the donor's intent. It is the policy of SEAL Trust to hold and manage a diversified portfolio of securities and financial instruments under the supervision of the Finance Committee and working with professional investment manager(s) (see Appendix B), and not to hold and manage individual financial instruments that may be donated. Exceptions to this approach (such as a stipulated gift from a donor) must be approved by the Board of Directors.

d. Donations of vehicles, equipment, art or other personal property will be evaluated for their usefulness to the SEAL Trust office or to a conservation property or properties. Gifts of vehicles or equipment will be accepted only if in a safe and serviceable condition. If no practical or beneficial use for donated personal property is apparent, the property will be sold and the proceeds used in accord with the donor's intent or the SEAL Trust mission.

e. Real property (land) gifts will not be accepted until a thorough due diligence review (e.g., preliminary title report, survey, environmental hazards assessment, building inspection reports, land use permits and other appropriate documents) shows that the donor has clear, marketable title to the land, and that there is no outstanding easement, legal, land use or environmental issues or conditions that would cause problems or potential liability for SEAL Trust.

A "Phase I" environmental hazards assessment must be provided or prepared, unless the Board of Directors agrees to waive this requirement for a particular property. A gift of property will not be accepted if it is deemed to have undue risk of injury or liability, or unreasonable holding, management, tax and transfer expenses to SEAL Trust compared to the potential benefit of receiving the gift.

f. When real property is donated, or is purchased with the intent of transfer or resale to a private party or public agency, the SEAL Trust Lands Committee will first evaluate whether significant conservation values (i.e., fish or wildlife habitat, scenic, historic resources) exist on the property, using SEAL Trust's project selection criteria. In cases where a property has high conservation value(s), it should be considered either for long-term ownership by SEAL Trust, provided that there is adequate capacity to own and manage it responsibly, or for transfer to another qualified conservation entity or public land management agency for conservation purposes or public benefit. In some cases, the conservation value(s) of donated land may be protected with a conservation easement on

all or part of the property, with the easement executed either before or at the time the property is transferred to another landowner.

g. SEAL Trust may also receive real property with little or no conservation value(s), and the property may be sold to generate funds to support SEAL Trust programs, projects, or the Stewardship Fund. The decision to hold, sell or transfer any real property will be made by the Board of Directors.

h. Careful consideration will be given to the staff time commitment and direct management costs associated with receiving and managing real property until its appropriate disposition is completed. Real or personal property accepted for donation will be reported to the SEAL Trust liability insurance carrier to ensure appropriate insurance coverage is maintained during the period of SEAL Trust ownership.

i. For any asset being sold to a private buyer, SEAL Trust will seek to receive fair market value of the asset. Professional advisors, such as attorneys, appraisers, land planners and real estate brokers, should be consulted as appropriate to determine the best strategy to achieve the fair market value. Donated land that is being sold or transferred to a private party should be priced for sale based on an appraisal report or letter of opinion from a qualified real estate appraiser. If land is to be restricted by a conservation easement, an appraisal will be made to determine the diminution in market value attributable to the easement.

j. Assets may be sold to a member of the SEAL Trust Board of Directors or staff, a substantial contributor (\$5,000 or more per year), a person related to the above (including domestic partner), or a person with access to information not available to the general public (e.g., bookkeeper, certain volunteers, etc.), in compliance with the SEAL Trust Conflict of Interest Policy.

k. The Executive Director is authorized to pursue the disposition of any donated marketable financial instrument in accord with this policy, and the disposition of any personal property with an estimated or appraised value of less than \$5,000. The Board of Directors must approve the disposition of: (a) any real property, (b) any personal property valued at \$5,000 or greater, and (c) any property being sold to a member of SEAL Trust staff or Board of Directors, or their immediate family member. The Board of Directors will consider whether a general public offering or the use of a broker is appropriate for the sale of a particular asset.

1. The Executive Director will consult with the Board of Directors to ensure that the acceptance and disposition of any donated asset fully complies with federal and state tax laws, including requirements for the donor to have an independent appraisal to determine the value of certain donations, the Land Trust's obligation to review the appraisal, and the requirements of filing IRS forms 8283 (Non-Cash Charitable Contributions) and 8282 (Sale, Exchange, or Other Disposition of Donated Property).

**XI. Risk Management and Insurance.** SEAL Trust will maintain at least the following policies with adequate coverage:

- a. Directors and Officers Liability insurance;
- b. General Liability and Property insurance; and
- c. Workers Compensation insurance.

**XII. Whistleblower Protection.** A SEAL Trust employee who reports misconduct regarding the organization's financial affairs will not be subjected to an adverse employment action in retaliation.



## Appendix A.

### Finance Committee

**Chair:** Board Treasurer

**Members:** Board Members, advisors, other volunteers

**Functions:**

- Reviews draft annual budget prepared by staff and makes recommendations to Board for adoption.
- Reviews periodic financial reports (e.g., Actuals YTD v. Budget), examines any major variance from the budget, and if appropriate, makes recommendations for budget amendment to the Board.
- Arranges for an annual financial review or audit of the financial operations of the organization and arranges for a report to the Board.
- Reviews SEAL Trust investments and accounts quarterly and makes recommendations to the Board.
- Meets with financial advisor/manager of permanent/dedicated investment funds annually to review investments, key decisions and rationale, assess results, and look ahead to potential investments. Reports to the Board on the condition of such funds.
- With staff assistance, analyzes the adequacy of the Stewardship Fund, its annual income and expenses, and develops a funding strategy if the Fund does not provide sufficient monies to cover stewardship expenses.
- Assists staff and reports to the Board on other financial matters as deemed appropriate by the Board.
- Reviews SEAL Trust insurance policies to ensure that coverage is adequate, at least every three years.
- Reviews financial policies at least every year and makes recommendations on amendments to Board.
- Develops and implements a fundraising plan, as needed.



## PROCEDURE

### Annual Review of Needs and Obligations

#### I. Purpose

The purpose of this analysis is to ensure that SEAL Trust has the capacity to meet its program needs and obligations for [year]. This procedure also provides the outline for a plan that can be presented to the Board of Directors in conjunction with the annual budget. The Board may also be presented with just the conclusions section. Anything in green is either informative or an example and can be removed from the plan when complete.

#### II. Programs

List SEAL Trust’s goals and obligations for each of the following program areas in the year being analyzed. Be sure to specify the timing of the need – that is, whether SEAL Trust needs a new staff member (for example) this year or in 3 months. Needs can be skills personnel, funding, contractual services, or training.

##### a. Conservation Services to Landowners

<i>Goals &amp; Activities</i>	<i>Current capacity</i>	<i>Needs (gaps?)</i>
Conduct site assessment of 2 new wetlands properties.	<ul style="list-style-type: none"> <li>J. Doe (Board) – one member with 2 years experience in wetland assessment.</li> <li>P. Adamus (volunteer) – creates wetland assessments, willing to give 20 hours volunteer time</li> </ul>	New staff member who can learn from P. Adamus

##### b. Land and Conservation Easement Acquisition

<i>Goals &amp; Activities</i>	<i>Current capacity</i>	<i>Needs (gaps?)</i>
	•	

c. In-Lieu Fee Sponsorship

<i>Goals &amp; Activities</i>	<i>Current capacity</i>	<i>Needs (gaps?)</i>
	•	

d. Stewardship

<i>Goals &amp; Activities</i>	<i>Current capacity</i>	<i>Needs (gaps?)</i>
	•	

e. Education, Outreach, and Membership

<i>Goals &amp; Activities</i>	<i>Current capacity</i>	<i>Needs (gaps?)</i>
	•	

f. Administration

<i>Goals &amp; Activities</i>	<i>Current capacity</i>	<i>Needs (gaps?)</i>
	•	

--	--	--

### III. Special Projects

#### a. WESPAK-SE

<i>Goals &amp; Activities</i>	<i>Current capacity</i>	<i>Needs (gaps?)</i>
	•	

### IV. Conclusion

Summarize the needs described in the previous sections. Prioritize the most urgent needs and recommend a course of action. Consider the following questions when writing up this section:

1. When will the land trust need new human resources?
2. What choices might the land trust consider for obtaining the needed skills and people?
3. Is the land trust over-extended? Should steps be considered to reduce our obligations?
4. Self-evaluation: What steps, if any, might the land trust have taken to anticipate and prepare for the current situation?



PROCEDURE

Project Tracking Checklist

*This checklist is designed to make sure that all necessary procedures and steps are followed to complete a project. Items in [orange] are template documents used at particular times in project development. Though it is meant to be as sequential as possible, the checklist order is not necessarily the exact order in which you will complete the steps.*

**Project Name:** \_\_\_\_\_

HUC: \_\_\_\_\_ Legal description: \_\_\_\_\_

Street address: \_\_\_\_\_

**Landowner:** \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

**1: INITIAL LANDOWNER CONTACT/OUTREACH**

<i>Date</i>	<i>Initials</i>	
_____	_____	A. <b>Initial landowner contact</b> (e.g. telephone call, personal visit, email, etc).
_____	_____	B. <b>Provide introductory materials</b> to landowner. Include the following: <ul style="list-style-type: none"> <li>• [Introductory letter]</li> <li>• SEAL Trust information</li> <li>• Conservation options</li> <li>• Criteria for property evaluation</li> <li>• Steps to an easement</li> <li>• Brochures, newsletters</li> </ul>
_____	_____	C. <b>Initial property research</b> – look at land ownership in the municipal assessor’s database, Alaska State Lands Record or at the Recorder’s Office

\_\_\_\_\_

\_\_\_\_\_

**D. Meeting/discussion with landowner(s).**

Explain the following:

- Mission of SEAL Trust
- What a land trust is, its tools and role
- Conservation purposes, protection implications, and land use restrictions [Model Easement]
- Conservation options
- Professional (legal and financial) advice disclaimer
- Tax benefits
  - Donation-related and otherwise
  - IRS Form 8283
- Probable costs and who pays
  - Example costs from a similar project
  - Associated transaction costs
- Funding strategies
- Process and timeline for acquiring a conservation easement/fee simple property

\_\_\_\_\_

\_\_\_\_\_

**E. Conduct site visit.**

Who attended/participated? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**F. Complete Site Evaluation Report.**

[Site Evaluation Report]

**2: INITIAL DATA COLLECTION**

*Date*

*Initials*

\_\_\_\_\_

\_\_\_\_\_

**A. Set up folder on server and in Outlook.**

[Digital folder template]

\_\_\_\_\_

\_\_\_\_\_

**B. Identify potential conservation value(s) and public benefit(s).**

Notes:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- C. **Determine preferred conservation mechanism** (e.g. conservation easement, fee-simple ownership, exchange/transfer, etc).
- D. **Obtain any available natural resource information.**  
Be sure to investigate potential for ILF credits for this project.
- E. **Obtain a map/survey with property boundaries.**  
(preferably a plat or a GIS map). Be sure to note known survey markers on map.
- F. **Document local political support and influence.**  
Notes:

\_\_\_\_\_

\_\_\_\_\_

- G. **Identify municipal jurisdiction, zoning and subdivision rules, if applicable.**
- H. **Identify potential funding sources (preliminary).**

**3: PROJECT ANALYSIS DECISION-MAKING**

*Date*

*Initials*

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- A. **Complete Project Selection Criteria Checklist.**  
[\[Project Selection Criteria Checklist\]](#)
- B. **Obtain letter of intent from landowner(s).**  
[\[Letter of Intent\]](#)
- C. **Draft project budget.**  
[\[Conservation Budget Template\]](#)

\_\_\_\_\_

\_\_\_\_\_

**D. Draft and/or obtain maps.**

The maps should show geographic location in the larger landscape context, entire property boundaries, area to be restricted, and important information (e.g. roads, trails, public access areas, existing buildings, surface alterations, slope and elevation information, water features, important natural habitats, and open space).

\_\_\_\_\_

\_\_\_\_\_

**E. Make staff recommendation and create Committee/Board Summary Information Sheet.**

[\[Committee/Board Summary Information Sheet\]](#)

\_\_\_\_\_

\_\_\_\_\_

**F. Obtain preliminary Lands Committee approval\*.**

List outstanding issues and directions:

\*If project does not receive approval, briefly describe why and note the file location of this checklist.

\_\_\_\_\_

\_\_\_\_\_

**G. Obtain additional information identified by Lands Committee.**

List information obtained to address above issues:

\_\_\_\_\_

\_\_\_\_\_

**H. Obtain preliminary Board of Directors approval, if so directed by Lands Committee.**

Add the date of the meeting to the Meetings section of the Access database.



\_\_\_\_\_ I. **Confirm or identify likely funding sources.**  
Note dates below if we sought nonobjection advice from Army Corps of Engineers and IRT on the property as a potential mitigation site.

Requested: \_\_\_\_\_

Obtained: \_\_\_\_\_

\_\_\_\_\_ J. **Begin drafting conservation easement terms, if applicable.**

\_\_\_\_\_ K. **Send Acceptance of Project/Engagement Letter to landowner.**  
[Acceptance of Project/Engagement Letter]

#### 4: DUE DILIGENCE/EASEMENT NEGOTIATIONS

*Date*

*Initials*

\_\_\_\_\_ A. **Complete Stewardship Endowment Worksheet.**  
[Stewardship Endowment Worksheet]

\_\_\_\_\_ B. **Negotiate terms of acquisition instrument**  
Include price, payment terms, payment of stewardship endowment, etc.

\_\_\_\_\_ C. **Obtain title report or commitment.**  
Ordered: \_\_\_\_\_

\_\_\_\_\_ D. **Obtain copy of chain of title** (warranty deeds, quitclaim deeds, deeds of trust, mortgage or municipal liens, easements, etc).

\_\_\_\_\_ E. **Complete Environmental Assessment Report (Phase I), if needed.**

Field inventory conducted: \_\_\_\_\_

Name of contractor/staff responsible: \_\_\_\_\_

- \_\_\_\_\_      \_\_\_\_\_ **F. Finalize project budget.**  
[~~Conservation Budget Template~~]
  
- \_\_\_\_\_      \_\_\_\_\_ **G. Obtain survey, if needed.**  
 Ordered: \_\_\_\_\_
  
- \_\_\_\_\_      \_\_\_\_\_ **H. Complete appraisal process, if applicable.**  
 Ordered: \_\_\_\_\_  
 Completed SEAL Trust review of appraisal: \_\_\_\_\_
  
- \_\_\_\_\_      \_\_\_\_\_ **I. Complete DRAFT baseline documentation report.**  
[~~Baseline Documentation Report Draft~~]  
[~~Baseline Documentation Report Procedures~~]
  
- \_\_\_\_\_      \_\_\_\_\_ **J. Complete draft conservation easement, if applicable.**  
[~~Conservation Easement Template~~]  
  
 Sent to landowner: \_\_\_\_\_  
  
 Comments received from landowner: \_\_\_\_\_
  
- \_\_\_\_\_      \_\_\_\_\_ **K. Order remoteness letter or mineable resource assessment letter, if applicable.**  
  
 Remoteness test ordered: \_\_\_\_\_  
  
 Remoteness test received: \_\_\_\_\_  
  
 Minerals report ordered: \_\_\_\_\_  
  
 Minerals report received: \_\_\_\_\_
  
- \_\_\_\_\_      \_\_\_\_\_ **L. Review title report and consult with SEAL Trust counsel as needed.**  
  
 Permitted and disapproved exceptions identified: \_\_\_\_\_  
  
 Disapproved exceptions removed: \_\_\_\_\_
  
- \_\_\_\_\_      \_\_\_\_\_ **M. Confirm that buyer's inspection is complete.**  
 Generally includes acceptable Phase I Environmental Assessment Report and local and agency approvals.

\_\_\_\_\_

N. **Submit final draft of conservation easement for landowner and landowner counsel review.**

Also attach a blank IRS Form 8283, if applicable.

[Legal Review & Appraisal Request Letter]

\_\_\_\_\_

O. **If donation or bargain sale, complete landowner appraisal process.**

Appraisal requested from landowner: \_\_\_\_\_

Appraisal concerns letter sent to landowner (if warranted):

\_\_\_\_\_ [Form 8283 Appraisal Concerns Letter]

\_\_\_\_\_

P. **Complete FINAL baseline documentation report.**

\_\_\_\_\_

Q. **Complete DRAFT-FINAL conservation easement.**

Be sure to address any landowner concerns.

\_\_\_\_\_

R. **Obtain final Lands Committee recommendation for final approval by the Board.**

Place minutes and materials from this meeting in the permanent file (originals) and working binder (copies).

\_\_\_\_\_

S. **Obtain Board of Directors resolution.**

Put the signed resolution, minutes, and materials from this meeting in the permanent file (originals) and working binder (copies).

\_\_\_\_\_

T. **Send Final Letter to landowner.**

[Final Landowner Letter]

**5: CLOSING**

*Date*

*Initials*

\_\_\_\_\_

A. **Receive landowner stewardship endowment donation (if applicable).**

_____	_____
_____	_____
_____	_____

- B. **Sign and notarize all legal documents.**
  
- C. **Obtain notarized SEAL Trust and landowner signatures on baseline documentation report certification statement.**
  
- D. **Obtain copies of closing documents.**

**6: POST-CLOSING**

<i>Date</i>	<i>Initials</i>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

- A. **Receive and file copy of deed and/or conservation easement recorded by title company, if applicable.**  
Place original in permanent file and copy in working binder.
  
- B. **Receive and file signed settlement statements.**  
Place original in permanent file and copy in working binder.
  
- C. **Receive and file miscellaneous closing documents** (e.g. signed contract, water rights deed, closing confirmation, affidavits, tax statements, or miscellaneous agreements and affirmations).  
Place originals in permanent file and copies in working binder.
  
- D. **Receive and file title insurance policy.**  
Place original in the permanent file and copy in working binder.
  
- E. **Obtain local government property tax exemption for fee simple.**  
Subsequent property assessment should indicate that the exemption was granted. (Verify application deadline is January 31 for CBJ).  
  
Requested: \_\_\_\_\_
  
- N. **Receive IRS Form 8283 with appraiser’s signature from landowner.**
  
- O. **Complete donee section of IRS Form 8283.**

Sign two copies. Place one original in the permanent file and a copy of an original in the working binder.

If returned to landowner for correction, note date: \_\_\_\_\_

\_\_\_\_\_

**P. Return complete IRS Form 8283 to landowner.**

Send with copies of recorded documents.

[IRS Form 8283 Transmittal & Thank You Letter]

\_\_\_\_\_

**Q. Receive copy of complete IRS Form 8283 from landowner.**

Place in permanent file and working binder.

*The following are (ideally) due within 30 days after closing...*

**Deadline:** \_\_\_\_\_

*Date*

*Initials*

\_\_\_\_\_

**F. Administrative follow-up steps.**

Organize key documents in permanent file and working binder according to the [Procedure for Updating the Property Files].

Clean-up the server files. Update ILF credits ledger (if applicable).

\_\_\_\_\_

**G. Deposit stewardship funds into stewardship endowment account and record in QuickBooks.**

Place evidence of deposit in permanent file and working binder.

\_\_\_\_\_

**H. Send thank you for any stewardship donation received, if applicable.**

[Stewardship Thank You Letter Template]

\_\_\_\_\_

**I. Complete press release or draft of article for SEAL Trust newsletter.**

\_\_\_\_\_

**J. Enter names of landowner(s), donor(s), and other individuals involved in the transaction into membership database.**

*The following is (ideally) due within 60 days after closing...*

**Deadline:** \_\_\_\_\_

*Date*

*Initials*

\_\_\_\_\_

**M. Complete land management plan, if fee title property.**





PROCEDURE

Project Tracking Checklist

*This checklist is designed to make sure that all necessary procedures and steps are followed to complete a project. Items in [orange] are template documents used at particular times in project development. Though it is meant to be as sequential as possible, the checklist order is not necessarily the exact order in which you will complete the steps.*

**Project Name:** \_\_\_\_\_

HUC: \_\_\_\_\_ Legal description: \_\_\_\_\_

Street address: \_\_\_\_\_

**Landowner:** \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

**1: INITIAL LANDOWNER CONTACT/OUTREACH**

<i>Date</i>	<i>Initials</i>	
_____	_____	A. <b>Initial landowner contact</b> (e.g. telephone call, personal visit, email, etc).
_____	_____	B. <b>Provide introductory materials</b> to landowner. Include the following: <ul style="list-style-type: none"> <li>• [Introductory letter]</li> <li>• SEAL Trust information</li> <li>• Conservation options</li> <li>• Criteria for property evaluation</li> <li>• Steps to an easement</li> <li>• Brochures, newsletters</li> </ul>
_____	_____	C. <b>Initial property research</b> – look at land ownership in the municipal assessor’s database, Alaska State Lands Record or at the Recorder’s Office

\_\_\_\_\_

\_\_\_\_\_

**D. Meeting/discussion with landowner(s).**

Explain the following:

- Mission of SEAL Trust
- What a land trust is, its tools and role
- Conservation purposes, protection implications, and land use restrictions [Model Easement]
- Conservation options
- Professional (legal and financial) advice disclaimer
- Tax benefits
  - Donation-related and otherwise
  - IRS Form 8283
- Probable costs and who pays
  - Example costs from a similar project
  - Associated transaction costs
- Funding strategies
- Process and timeline for acquiring a conservation easement/fee simple property

\_\_\_\_\_

\_\_\_\_\_

**E. Conduct site visit.**

Who attended/participated? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**F. Complete Site Evaluation Report.**

[Site Evaluation Report]

**2: INITIAL DATA COLLECTION**

*Date*

*Initials*

\_\_\_\_\_

\_\_\_\_\_

**A. Set up folder on server and in Outlook.**

[Digital folder template]

\_\_\_\_\_

\_\_\_\_\_

**B. Identify potential conservation value(s) and public benefit(s).**

Notes:



_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

- C. **Determine preferred conservation mechanism** (e.g. conservation easement, fee-simple ownership, exchange/transfer, etc).
- D. **Obtain any available natural resource information.**  
Be sure to investigate potential for ILF credits for this project.
- E. **Obtain a map/survey with property boundaries.**  
(preferably a plat or a GIS map). Be sure to note known survey markers on map.
- F. **Document local political support and influence.**  
Notes:

_____	_____
_____	_____

- G. **Identify municipal jurisdiction, zoning and subdivision rules, if applicable.**
- H. **Identify potential funding sources (preliminary).**  
Notes:

**3: PROJECT ANALYSIS DECISION-MAKING**

<i>Date</i>	<i>Initials</i>
_____	_____
_____	_____

- A. **Complete Project Selection Criteria Checklist.**  
[\[Project Selection Criteria Checklist\]](#)
- B. **Draft project budget.**  
[\[Conservation Budget Template\]](#)

\_\_\_\_\_

\_\_\_\_\_

C. **Draft and/or obtain maps.**

The maps should show geographic location in the larger landscape context, entire property boundaries, area to be restricted, and important information (e.g. roads, trails, public access areas, existing buildings, surface alterations, slope and elevation information, water features, important natural habitats, and open space).

\_\_\_\_\_

\_\_\_\_\_

D. **Make staff recommendation and prepare Committee/Board Summary Information Sheet.**

[[Committee/Board Summary Information Sheet](#)]

\_\_\_\_\_

\_\_\_\_\_

E. **Obtain preliminary Lands Committee approval\*.**

List outstanding issues and directions:

\*If project does not receive approval, briefly describe why and note the file location of this checklist.

\_\_\_\_\_

\_\_\_\_\_

F. **Obtain additional information identified by Lands Committee.**

List information obtained to address above issues:

\_\_\_\_\_

\_\_\_\_\_

G. **Obtain preliminary Board of Directors approval, if so directed by Lands Committee.**

Add the date of the meeting to the Meetings section of the Access database.

\_\_\_\_\_

\_\_\_\_\_

H. **Confirm or identify likely funding sources.**

\_\_\_\_\_

Note dates below if we sought nonobjection advice from Army Corps of Engineers and IRT on the property as a potential mitigation site.

Requested: \_\_\_\_\_

Obtained: \_\_\_\_\_

\_\_\_\_\_

**I. Draft a purchase and sale agreement.**

Draft to landowner: \_\_\_\_\_

\_\_\_\_\_

**J. Obtain Board of Directors approval of purchase and sale agreement and authorization for staff to engage professional services.**

**4: DUE DILIGENCE/PURCHASE NEGOTIATIONS**

*Date*

*Initials*

\_\_\_\_\_

\_\_\_\_\_

**A. Sign and notarize purchase and sale agreement and memorandum of purchase and sale agreement.**

\_\_\_\_\_

\_\_\_\_\_

**B. Record memorandum of purchase and sale agreement.**

\_\_\_\_\_

\_\_\_\_\_

**C. Obtain survey, if needed.**

Ordered: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**D. Complete municipal subdivision process, if applicable.**

Application filed: \_\_\_\_\_

Approved: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**E. Complete appraisal process, if applicable.**

Ordered: \_\_\_\_\_

Completed SEAL Trust review of appraisal: \_\_\_\_\_

\_\_\_\_\_

F. **Complete Environmental Assessment Report (Phase I), if needed.**

Field inventory conducted: \_\_\_\_\_

Name of contractor/staff responsible: \_\_\_\_\_

\_\_\_\_\_

G. **Complete Management Fee Endowment Worksheet.**  
[Management Fee Endowment Worksheet]

\_\_\_\_\_

H. **Finalize project budget.**  
[Conservation Budget Template]

\_\_\_\_\_

I. **Obtain title report or commitment.**  
Ordered: \_\_\_\_\_

\_\_\_\_\_

J. **Obtain copy of chain of title** (warranty deeds, quitclaim deeds, deeds of trust, mortgage or municipal liens, easements, etc).

\_\_\_\_\_

K. **Complete DRAFT management plan.**  
[Management Plan Template]

\_\_\_\_\_

L. **Order remoteness letter or mineable resource assessment letter, if applicable.**

Remoteness test ordered: \_\_\_\_\_

Remoteness test received: \_\_\_\_\_

Minerals report ordered: \_\_\_\_\_

Minerals report received: \_\_\_\_\_

\_\_\_\_\_

M. **Review title report and consult with SEAL Trust counsel as needed.**

Permitted and disapproved exceptions identified: \_\_\_\_\_

Disapproved exceptions removed: \_\_\_\_\_

\_\_\_\_\_

N. **Confirm that buyer's inspection is complete.**  
Generally includes acceptable Phase I Environmental Assessment Report and local and agency approvals.

\_\_\_\_\_

\_\_\_\_\_

O. **If donation or bargain sale, complete landowner appraisal process.**

Appraisal requested from landowner: \_\_\_\_\_

Appraisal concerns letter sent to landowner (if warranted):

\_\_\_\_\_ [Form 8283 Appraisal Concerns Letter]

\_\_\_\_\_

P. **Obtain Board of Directors resolution for purchase, authorization to execute the sale, authorization to transfer money to escrow agent, and authorization to transfer management fee.**

Put the signed resolution, minutes, and materials from this meeting in the permanent file (originals) and working binder (copies).

\_\_\_\_\_

Q. **Send Final Letter to landowner.**

[Final Landowner Letter]

## 5: CLOSING

*Date*

*Initials*

\_\_\_\_\_

A. **Receive landowner management fee endowment donation (if applicable).**

\_\_\_\_\_

B. **Sign and notarize all legal documents.**

\_\_\_\_\_

C. **Obtain copies of closing documents.**

## 6: POST-CLOSING

*Date*

*Initials*

\_\_\_\_\_

A. **Receive and file copy of deed recorded by title company.**  
Place original in permanent file and copy in working binder.

- |  |  |  |
|--|--|--|
|  |  | <p><b>B. Receive and file signed settlement statements.</b><br/>Place original in permanent file and copy in working binder.</p>   |
|  |  | <p><b>C. Receive and file miscellaneous closing documents</b> (e.g. signed contract, water rights deed, closing confirmation, affidavits, tax statements, or miscellaneous agreements and affirmations).<br/>Place originals in permanent file and copies in working binder.</p> |
|  |  | <p><b>D. Receive and file title insurance policy.</b><br/>Place original in the permanent file and copy in working binder.</p>   |
|  |  | <p><b>E. Obtain initial local government property tax exemption for fee simple.</b><br/>Subsequent property assessment should indicate that the exemption was granted. (Must file by January 31 for CBJ).<br/><br/>Requested: _____</p>  |
|  |  | <p><b>N. Receive IRS Form 8283 with appraiser's signature from landowner, if applicable.</b></p>   |
|  |  | <p><b>O. Complete donee section of IRS Form 8283, if applicable.</b><br/>Sign two copies. Place one original in the permanent file and a copy of an original in the working binder.<br/><br/>If returned to landowner for correction, note date: _____</p>                       |
|  |  | <p><b>P. Return complete IRS Form 8283 to landowner, if applicable.</b><br/>Send with copies of recorded documents.<br/><a href="#">[IRS Form 8283 Transmittal &amp; Thank You Letter]</a></p>   |
|  |  | <p><b>Q. Receive copy of complete IRS Form 8283 from landowner, if applicable.</b><br/>Place in permanent file and working binder.</p>   |

*The following are (ideally) due within 30 days after closing...*

**Deadline:** \_\_\_\_\_

*Date*

*Initials*

- |  |  |  |
|--|--|--|
|  |  | <p><b>F. Administrative follow-up steps.</b><br/>Organize key documents in permanent file and working binder</p> |
|--|--|--|

\_\_\_\_\_

according to the [\[Procedure for Updating the Property Files\]](#).  
Clean-up the server files. Update ILF credits ledger (if applicable).

\_\_\_\_\_

**G. Deposit management fee funds into stewardship endowment account and record in QuickBooks.**  
Place evidence of deposit in permanent file and working binder.

\_\_\_\_\_

**H. Send thank you for any management fee donation received, if applicable.**  
[\[Stewardship Thank You Letter Template\]](#)

\_\_\_\_\_

**I. Complete press release or draft of article for SEAL Trust newsletter.**

\_\_\_\_\_

**J. Enter names of landowner(s), donor(s), and other individuals involved in the transaction into membership database.**

*The following is (ideally) due within 60 days after closing...*

**Deadline:** \_\_\_\_\_

*Date*

*Initials*

\_\_\_\_\_

**M. Complete land management plan, if fee title property.**



## PROCEDURE

### Project Selection Criteria

*SEAL Trust uses the following criteria to assess whether to take on a project.*

#### **Project Name:**

*HUC:*

*Legal description:*

*Street address or location:*

#### **Landowner:**

*Phone(s):*

*Email:*

*Mailing address:*

#### **1: Mission & Goals**

- A. Describe how this project addresses SEAL Trust's mission. [Paragraph]
- B. Describe how this project addresses SEAL Trust's goal(s). [Paragraph]

#### **2: Adherence to By-laws, Federal Regulations & Municipal Requirements**

*In accordance with SEAL Trust's By-laws, this property fulfills the following conservation purpose(s):*

- |  |   |
|--|---|
| <input type="checkbox"/> Outdoor recreation by, or education of, the general public. | <input type="checkbox"/> Protection of a relatively natural habitat of fish, wildlife, or plants, or similar ecosystem. |
| <input type="checkbox"/> Preservation of certain open space.                         | <input type="checkbox"/> Compensation for aquatic resource impacts through ILF mitigation                               |



Is the property a donation or bargain sale? Yes –  No –

If yes, the following section on public benefit must be completed. If no, please complete the following section on public benefit for SEAL Trust's reference.

*In accordance with U.S. Treasury Department Regulations §1.170A-14 (d)(4)(iv), the following factors contribute to the property's significant public benefit:*

- |  |   |
|--|---|
| <input type="checkbox"/> Uniqueness of property to area.   | <input type="checkbox"/> Intensity of land development in the vicinity of the property.   |
| <input type="checkbox"/> Consistency of the proposed open space use with programs for outdoor recreation.  | <input type="checkbox"/> Consistency of the proposed open space use with programs for shoreline protection.   |
| <input type="checkbox"/> Consistency of the proposed open space use with a legislatively mandated program identifying particular parcels of land for future protection.    | <input type="checkbox"/> Consistency of the proposed open space use with programs for protection of lands included in, or related to a government approved master plan or land management area. |
| <input type="checkbox"/> Consistency of the proposed open space use with programs for water quality maintenance or enhancement.  | <input type="checkbox"/> Consistency of the proposed open space use with programs for flood prevention or control.  |
| <input type="checkbox"/> Consistency of the proposed open space use with existing private conservation programs in the area.   | <input type="checkbox"/> Consistency of the proposed open space use with programs for irrigation or water supply protection.  |
| <input type="checkbox"/> Likelihood that development of the property would lead to or contribute to degradation of the scenic, natural, or historic character of the area. | <input type="checkbox"/> Importance of the property in preserving a local or regional landscape or resource that attracts tourism or commerce to the area.                                      |
| <input type="checkbox"/> Likelihood that the donee will acquire equally desirable and valuable substitute property or property rights.                                     | <input type="checkbox"/> Opportunity for general public to use the property or appreciate its scenic values.  |
| <input type="checkbox"/> The cost to the donee of enforcing the terms of the conservation restriction.   | <input type="checkbox"/> Population density in the area of the property.  |

*Explain:*

*Explain:*

*If the property will be acquired fee simple, does the municipality with jurisdiction have requirements for documenting community purpose or public benefit if SEAL Trust will seek an exemption from property taxes?*

- The fee simple property is located in a municipality which allows for a property tax exemption that could apply to SEAL Trust.

If above question is checked, then the fee-simple property has the following attributes that may qualify it for a property tax exemption:

- |   |   |
|---|---|
| <input type="checkbox"/> Public benefit         | <input type="checkbox"/> Community purpose            |
| <input type="checkbox"/> Education              | <input type="checkbox"/> Resource protection          |
| <input type="checkbox"/> Open space, aesthetics | <input type="checkbox"/> Public access for recreation |
| <input type="checkbox"/> Other:                 |   |

### 3: Property Values

#### A. CONSERVATION VALUES

*The property has one or more of the following conservation values, as documented in the Site Evaluation Report:*

- 1. Important fish, wildlife, vegetation, or other ecological values.
- 2. Borders on or affects the integrity of sensitive or ecologically important habitat.
- 3. Significant cultural or historic values.
- 4. Significant educational or scientific values.
- 5. Significant recreational opportunities.
- 6. Adjacent to an existing protected area.
- 7. Open space for the public's scenic enjoyment.

#### B. CONSERVATION PRIORITY WATERSHEDS

*Refer to Appendix E of the Compensation Planning Framework for the Southeast Alaska Land Trust In-lieu Fee Program to answer the following question.*

- Is the property in a Conservation Priority Watershed as identified in Schoen & Dovichin 2007?

*If so, which one?*

### 4: Feasibility

*If one or more of the following feasibility issues is checked, SEAL Trust **may** refuse the project.*

#### A. DEVELOPMENT

- 1. Adjacent development may significantly diminish the conservation values of the property *Solvable?*  
Y / N

- 2. The surrounding land use or character prohibits potential linkage or functional connectivity to protected lands or avoidance of potential hazardous waste sites. Y / N
- 3. The proposed open space is part of a development proposal that, overall, is likely to have adverse impacts on the property's conservation resources. Y / N
- 4. The proposed development proposal may take undue advantage of the land trust's status or reputation. Y / N
- 5. Full information on all permits, variances, or legal approvals for the development of the area is not available. Y / N
- 6. There is no threat or likelihood of the property being developed or disturbed in a way that would compromise its conservation values. Y / N
- 7. The property's values are primarily scenic, but are not readily visible or accessible to the general public. Y / N
- 8. The property is small and there is little likelihood of adjacent properties being protected. Y / N
- 9. The property is not large enough to be significant for its conservation purpose. Y / N

#### B. LANDOWNER

- 1. The landowner insists on reserved rights that will seriously diminish the property's primary conservation values or the land trust's ability to enforce protection. *Solvable?*  
Y / N
- 2. The landowner insists on reserved rights that will restrict the land trust's use of the property and prevent or deter the land trust from its goals. Y / N
- 3. The landowner does not appear to be sufficiently committed to land conservation. Y / N

#### C. MONITORING & STEWARDSHIP

- 1. There is inadequate or difficult access to the property for management or monitoring. *Solvable?*  
Y / N
- 2. Special management problems and issues associated with the property preclude a sound and proper management plan. Y / N
- 3. Stewardship responsibilities will be unusually difficult. Y / N
- 4. The land trust does not have the staff, volunteers, or contractors needed to manage the property over time. Y / N

D. FINANCES

- |   | <i>Solvable?</i> |
|---|------------------|
| <input type="checkbox"/> 1. Stewardship or management responsibilities will be too expensive.   | Y / N            |
| <input type="checkbox"/> 2. The land trust does not have the financial resources to monitor and defend the property.  | Y / N            |
| <input type="checkbox"/> 3. For proposals to <u>purchase</u> land or an easement, it is unlikely that sufficient private or public funding can be raised by SEAL Trust and/or project partners. | Y / N            |
| <input type="checkbox"/> 4. The landowner or other project supporters are unwilling or unable to make an adequate donation toward the Stewardship Fund.   | Y / N            |

E. ETHICS, PUBLIC IMAGE, & CONFLICT OF INTEREST

- |  | <i>Solvable?</i> |
|--|------------------|
| <input type="checkbox"/> 1. Ethical, public image, or conflict of interest problems exist in association with the acceptance of the project.   | Y / N            |
| <input type="checkbox"/> 2. There is a conflict of interest on the Board or among staff, interested transactions by Board members or officers, or involvement in controversial projects with developers. | Y / N            |
| <input type="checkbox"/> 3. The project may jeopardize SEAL Trust's IRS non-profit status.   | Y / N            |
| <input type="checkbox"/> 4. There may be a significant negative economic impact on the community.  | Y / N            |
| <input type="checkbox"/> 5. The project may produce a significant negative precedent or impact on local zoning or land use planning.   | Y / N            |
| <input type="checkbox"/> 6. There is opposition or lack of support from local property owners.   | Y / N            |
| <input type="checkbox"/> 7. There is opposition or lack of community or political support.   | Y / N            |
| <input type="checkbox"/> 8. The project does not add to the diversity or continuity of the land trust holdings.  | Y / N            |

F. HAZARDOUS WASTE

- |   | <i>Solvable?</i> |
|---|------------------|
| <input type="checkbox"/> 1. The property is irreparably contaminated, the cost of cleanup is too high, or the risk of accepting an easement on contaminated land is too high. | Y / N            |
| <input type="checkbox"/> 2. The property may be measurably affected by a disposal site, hazardous wastes, or air, soil, or water pollution.                                   | Y / N            |

G. ADMINISTRATIVE

*Solvable?*

- |   |       |
|---|-------|
| <input type="checkbox"/> 1. The property cannot be acquired by the land trust with reasonable effort in relation to the property's conservation value, size, or merit.  | Y / N |
| <input type="checkbox"/> 2. There are significant problems or defects in the title.   | Y / N |
| <input type="checkbox"/> 3. There are property encroachments or easement or boundary disputes.  | Y / N |
| <input type="checkbox"/> 4. The property has potentially burdensome unoccupied buildings or structures, signs, markers, parking lots, trails, or steps and funds for long-term maintenance are not available.   | Y / N |
| <input type="checkbox"/> 5. The deed does not have a proper survey or clear property description and easily identified map prepared by a registered land surveyor.  | Y / N |
| <input type="checkbox"/> 6. The costs of the property transfer or requisition are not funded.   | Y / N |
| <input type="checkbox"/> 7. For <u>fee simple projects</u> , there is not a public agency willing to accept transfer of the property from SEAL Trust, and the land trust does not have the desire or financial resources to own and manage the property itself. | Y / N |
| <input type="checkbox"/> 8. There is not sufficient enthusiasm within the land trust for the project.   | Y / N |
| <input type="checkbox"/> 9. Proper property inspection or information gathering has not been completed prior to consideration of acceptance.  | Y / N |
| <input type="checkbox"/> 10. There is not sufficient baseline data to determine property suitability.   | Y / N |
| <input type="checkbox"/> 11. The language of an easement is not clear and readily understandable.   | Y / N |
| <input type="checkbox"/> 12. Staff capability and capacity do not meet project demands.   | Y / N |
| <input type="checkbox"/> 13. The project has too high an opportunity cost.  | Y / N |

#### H. OTHER FEASIBILITY CONCERNS

- |   |                           |
|---|---------------------------|
| <input type="checkbox"/> 1. There is an equal or more effective way to achieve conservation through cooperation with other, or more qualified, conservation organizations, institutions, or holders, such as the town, the state, the federal government, or another non-profit agency. | <i>Solvable?</i><br>Y / N |
|---|---------------------------|

#### I. EXPLANATION

*If you checked that any of the above feasibility issues are solvable, list them below and explain how they are solvable.*

Text.

*All preceding notwithstanding, the SEAL Trust Board of Directors retains discretion over acquisition and will evaluate each project and proposal on its own merits after careful investigation of the property, its conservation values, and its public benefits.*



**PROCEDURE**

**Project Selection Criteria – ILF Supplement**

*SEAL trust uses the following criteria to assess whether to take on an in-lieu fee project.*

**Project Name:**

*HUC:*

*Legal description:*

*Street address or location:*

**Landowner:**

*Phone(s):*

*Email:*

*Mailing address:*

**1: Aquatic Resource Types**

*The property has the following aquatic resource types (ranked according to their high value functions and relative scarcity in Southeast Alaska):*

- 1. Sloughs, marshes, and estuaries.
- 2. Mudflats, sand flats, other beach types, and tidelands
- 3. Freshwater lakes, ponds, streams, rivers and their tributaries
- 4. Wet meadows (bogs and fens)
- 5. Palustrine forested wetlands
- 6. Palustrine scrub-shrub
- 7. Buffers to the above

<i>Estimated Acreage</i>	<i>Percentage of Property</i>

Source: Compensation Planning Framework for the Southeast Alaska Land Trust In-lieu Fee Program 2009

*If the property does not have one of the above aquatic resource types, but SEAL Trust feels that it should still qualify as an ILF property, explain why below.*

N/A.

## 2: Location

*The property is located in (ranked by priority):*

- 1. The impacted watershed and local area.
- 2. Another threatened or high-value watershed within the impacted biogeographic province, including property within or adjacent to lands or watersheds identified as having value(s) by others such as in State land use plans, USFS Tongass Land Management Plan, or other regional assessments.
- 3. The impacted HUC.
- 4. An adjacent biogeographic province within the impacted sub-regional grouping.
- 5. An adjacent HUC.
- 6. An ecologically suitable property within the impacted general sub-region of Southeast Alaska.

Source: Compensation Planning Framework for the Southeast Alaska Land Trust In-lieu Fee Program 2009

## 3: Regulatory Requirements

*The project complies with the following requirements for compensatory mitigation through preservation. Briefly explain each met requirement.*

- 1. Resources provide important physical, chemical, or biological functions.  
*Explain:* While the pond is a man-made feature, the wetlands in northeast corner are contiguous with the Mendenhall Wetlands.
- 2. Resources contribute significantly to ecological sustainability of the watershed, based on appropriate quantitative assessment tools, where available.  
*Explain:*
- 3. Corps determines that preservation is appropriate and practicable.  
*Explain:*
- 4. Resources are under threat of destruction or adverse modification.  
*Explain:*
- 5. Preserved property will be permanently protected through an appropriate real estate or legal instrument.  
*Explain:*



*Describe the Army Corps of Engineers' and IRT's preliminary assessment or feedback on a property's approvability as a mitigation project site (as applicable).*

1. Habitat/resource value

Text

2. Location

Text

3. Timing (3-year requirement on ILF obligations)

Text

4. Other

Text



ADOPTED: January 11, 2011

AMENDED: March 27, 2013

## POLICY

### Records Management

#### I. Policy – Records Management

SEALTrust keeps extensive records and files for all aspects of its programs. SEALTrust recognizes that maintenance of consistent, complete, secure, and authentic records is essential to the achievement of its conservation mission. Paper and electronic records serve SEALTrust's legal and information needs regarding conserved lands.

Conservation easements are perpetual. As holders of easements, SEALTrust assumes its perpetual responsibility to ensure the existence, authenticity, and integrity of the original legal documents and supporting records (such as Baseline Reports.) As a public charity, SEALTrust also assumes the responsibility of adhering to sound business practices to protect the organization's non-profit status.

SEALTrust documents are created, retained and destroyed in a deliberate, organized manner to achieve the objectives noted herein. This policy (and accompanying Records Schedule) gives guidance on those tasks. In addition, the records policy supports, and is integral to, all other SEALTrust policies.

The SEALTrust Executive Director is empowered to develop and amend procedural documents as needed to implement the SEALTrust Records Management Policy.

#### A. Records Management Principles

1. **Consistent:** SEALTrust Records are consistent and logical, both within and across individual records.
2. **Secure:** SEALTrust Records are as secure as possible from the risk of natural disasters (fire, floods and other damage), theft, tampering, destruction, or accidental loss. Some SEALTrust documents must exist in perpetuity in order to fulfill stewardship responsibilities and other legal needs.
3. **Thorough:** SEALTrust has the information necessary to complete its conservation projects and to effectively manage and monitor its ongoing conservation easement and

fee land obligations in perpetuity. Only essential information is stored. Some records are destroyed on an established schedule.

4. **Authentic:** Authentic original records are kept and can be used, if needed, as legal evidence. These documents include dates, authors, and other supporting information appropriate to the type of information contained.

#### B. Records Policy Review

The Executive Director will review this Records Policy at least every five years to assess compliance and to ensure that the policies stated herein continue to serve the best interests of SEALTrust. The Executive Director will also review the Records Retention Schedule (Attachment A) at least every three years to ensure compliance and to ensure the procedures continue to serve the best interests of the organization.

## **II. Procedures – Records Management**

SEALTrust maintains records of its business activities and board meetings in a secure manner, and practices sound business and office administration procedures. SEALTrust also protects and secures all digital records and the organization's computer system through use of current and complete security tools and equipment. All SEALTrust records are under the supervision of the Executive Director.

#### A. Off-Site Storage of Key Documents

SEALTrust keeps originals of all irreplaceable documents essential to the defense of each SEALTrust transaction, as well as original business documents and digital backups of the office network, secure from natural disasters (fire, floods and other damage), theft, tampering, destruction, or accidental loss. These documents are kept in a locking fire-proof cabinet in a safe, secure, off-site location, and are protected from daily use. Removal of any documents from the safe, secure, off-site location must be authorized in advance by the Executive Director. Access to these documents is restricted to the Executive Director and the designated SEALTrust Records Manager.

Original, irreplaceable documents placed in the secure, off-site storage location include:

1. SEALTrust Corporate/Organization Records:
  - a. Articles of Incorporation
  - b. Board Records
  - c. Conflict of Interest Records
  - d. Board of Directors' Information

- e. Bylaws
  - f. Insurance (current policies, records, claims)
  - g. IRS Approval letter and 501(c)(3) designation
  - h. Legal correspondence
  - i. Annual Digital Backup of financial records
  - j. Financial audit reports and/or financial reviews
2. SEALTrust Tax Records:
- a. Annual tax returns/Form 990 (and supporting documentation)
  - b. Withholding/payroll tax returns
  - c. IRS correspondence
3. Conservation Project Development and Stewardship/Management Records (where applicable):
- a. Conservation easement, amendments, administrative supplements, and complementary agreements
  - b. Fee simple property warranty deed and final plat
  - c. Baseline Documentation Report or Management Plan, including the following appendices:
    - i. "Site selection" (includes Phase I environmental assessments, project selection criteria, and site evaluation reports)
    - ii. "Supporting legal information" (includes relevant legal documents and plats prior to property acquisition)
    - iii. "Photographs"
    - iv. "Maps and graphics"
    - v. "Other relevant documents" (includes, where applicable, mitigation plans and Army Corps of Engineers release of credits)
  - d. Baseline or Management Plan supplements, including stewardship or management reports
  - e. Purchase and sales agreement
  - f. Purchase option
  - g. Donation agreement
  - h. Property appraisal
  - i. Title report, commitment, or insurance policy
  - j. Settlement statement
  - k. Stewardship/management endowment calculation
  - l. Evidence of stewardship/management funds deposit
  - m. IRS Form 8283
  - n. IRS Form 8282
  - o. Project budget

- p. Promissory notes or mortgages
- q. Project Tracking Checklist
- r. Board approvals, resolutions, and minutes
- s. Contact record, including at least the following:
  - i. *Landowner correspondence*: letter/email of landowner interest; donor acknowledgement letter; acceptance of project
  - ii. *Agency correspondence*: ILF mitigation request (if applicable); US Army Corps of Engineers approval (if applicable); IRT correspondence and mitigation proposal (if applicable)
  - iii. Correspondence with the landowner related to project goals, tax and legal matters, notifications, approvals, enforcement and other key matters the land trust determines essential to the defense of the transaction.
- t.

#### B. On-Site Storage

SEALTrust uses fire-resistant file cabinets and metal book cases on-site in a secure, locking office to store its working files. Working files are defined as project files accessible on a daily basis to SEALTrust personnel responsible for completing land conservation transactions, managing day-to-day administrative/financial/general business responsibilities, and conducting ongoing stewardship activities.

1. For each conservation easement and in-lieu fee project managed by SEALTrust, on-site working files include copies of all original documents noted in Section II, Subsection A, number 3 above. Document/map/photo copies are individually sheet protected, and maintained in clearly labeled, project-specific 3-ring binders.
2. Working files documenting and containing day-to-day administrative, financial, and personnel responsibilities; ongoing stewardship activities; and fundraising and program outreach activities are stored in fire-resistant file cabinets.

#### C. Electronic Document Back-Up System

SEALTrust maintains a digital backup system for all the original irreplaceable data identified in Section II, Subsection A, numbers 1, 2, and 3 above. The purpose of this system is three-fold: (1) to create reliable, retrievable data in case of computer malfunctions; (2) to create copies for historic purposes; and (3) to preserve digital copies of physical documents and photographs that may deteriorate over time. Data is backed up nightly utilizing an electronic web-based system on off-site, archive-protected servers. A digital backup is archived at the secure off-site location on an annual basis.

#### D. Records Retention and Destruction

The SEALTrust Records Retention Schedule (Attachment A) stipulates the length of time each type of document is kept. Some documents are kept permanently. SEALTrust complies with IRS regulations concerning how long tax-related information is kept. SEALTrust complies with foundations and other grantor organizations when they stipulate a period during which grant records must be kept. Other documents are destroyed after a prescribed length of time – between one and ten years. When documents are destroyed, SEALTrust complies with the Sarbanes-Oxley Act. That law makes it a crime to alter, cover up, falsify, or destroy any document to prevent its use in a federal official proceeding. The Sarbanes-Oxley Act turns intentional document destruction into a process that should be monitored, justified and carefully administered.

All SEALTrust documents are destroyed by physical document shredding or electronic document deletion, and can only be authorized by the Executive Director.

### **III. SEALTrust Records Categories - Records Management**

All SEALTrust files are the property of SEALTrust, not members of the staff or the Board of Directors.

#### A. Conservation/In-Lieu Fee Projects

SEALTrust Board of Directors has ample opportunity to review all proposed conservation and in-lieu fee projects, including conservation easements, transfers, and acquisitions. SEALTrust staff creates and maintains files that are clear and consistent, in both electronic and hard-copy form, for each conservation project.

1. Formal project files are initiated when the Board of Directors provides initial approval for a conservation project. SEALTrust staff documents all steps in the development of conservation projects as they progress according to SEALTrust policies and procedures. For projects facilitated by funding from an agency outside of SEALTrust (e.g., LWCF funded by the Bureau of Land Management) SEALTrust staff obtain a documented commitment from the relevant funding agency. Original, signed documents and contract records, and an electronic backup of each conservation project, are stored pursuant to Section II above. Files are created and maintained, in both electronic and hard-copy formats, through project completion.
2. In addition, SEALTrust monitors, on an ongoing basis, opportunities for additional project acquisitions throughout Southeast Alaska. Files containing research data, maps,

photos, correspondence, etc. for individual potential projects/acquisitions are maintained and organized by geographic area in Southeast Alaska.

#### B. Stewardship

SEALTrust staff maintains stewardship records for each SEALTrust conservation easement and each fee title property it owns. This includes monitoring records, records of reserved rights, background materials, records of landowner assistance, additional survey information, etc. Each year, SEALTrust staff conducts a file audit to ensure that conservation project documentation is complete, in order, and in the right location; and makes sure that documentary evidence, including photographic records and original documents, is not deteriorating beyond the point of usefulness.

#### C. Administrative Records

In order to practice sound business procedures, SEALTrust maintains records/files of its business activities, board meetings, bylaws, and general office administration (i.e., internal memoranda and correspondence) in a secure manner. SEALTrust diligently protects and secures all electronic records and the organization's computer system through use of current and complete security tools and equipment.

#### D. Accounting and Financial Records

As a public charity, SEALTrust manages its finances and assets in a responsible and wholly accountable manner. SEALTrust maintains complete, accurate and credible documentation of its financial management activities.

The types of financial records maintained by SEALTrust under the direction of the Executive Director and the Treasurer, SEALTrust Board of Directors, include:

- monthly, quarterly, and annual financial statements
- balance sheets
- annual budgets
- reconciliations
- invoices and receipts of payables
- copies of checks deposited
- copies of donor restrictions

Access to these records is limited to the Executive Director, the organization's accountant, and the Treasurer, SEALTrust Board of Directors. Specific reports that do not contain confidential information will be made available as needed or requested. Digital files are password protected.

#### E. Personnel Records

SEALTrust maintains confidential records for each employee. Personnel files contain each employee's personal information and work-related information. Access to personnel files is limited to the Executive Director, the organization's accountant, and the President, SEALTrust Board of Directors. Physical personnel records are stored in the SEALTrust office in a secure file cabinet. Digital files are password protected.

#### F. Fundraising Records

As a public-supported 501(c)(3) charitable organization, SEALTrust is committed to raising and receiving funds in an ethical and accountable manner, and to maintaining accurate and complete records regarding fundraising activities. Accurate recordkeeping of its fundraising program demonstrates SEALTrust's compliance with charitable solicitation laws, accurately represents its claims and intended use of funds, and uses restricted funds as specified by donors.

For handling monthly credit card donations as requested by donors, SEALTrust keeps all credit card numbers in a locking file cabinet, and is accessed only by the Executive Director.

#### G. Program and Outreach Records

Program and outreach records are kept to ensure continuity in SEALTrust efforts from year to year. Outreach records are a resource for educating staff, volunteers, and coordinators of events to assure adherence to the SEALTrust mission and its vision statement, and to communicate to our members and the public in general. Program records (e.g., annual or strategic plans, event programs, photos, publications, and public relations materials) are maintained by SEALTrust staff.



**ATTACHMENT A:  
RECORDS RETENTION SCHEDULE**

<b>TYPE OF RECORD</b>	<b>RETENTION PERIOD (YEARS)</b>
<b>Corporate Records</b>	
Articles of Incorporation	Permanent
<u>Board Records:</u>	
Meeting notices	Permanent
Agendas	Permanent
Minutes	Permanent
Conflict of Interest statements	Permanent
<u>Board of Director's Information:</u>	
Current list	Permanent
Biographical information	Permanent
Historical board lists	Permanent
Committees	Permanent
Bylaws, including any revisions or amendments	Permanent
Insurance (current policies, records, claims, etc.)	Permanent
Insurance policies – expired	3 Years
IRS Approval letter	Permanent
Legal Correspondence	Permanent
Policy and Procedures Manual	Current + 1 year superseded
Annual digital backup of computer network data files	Permanent
Annual digital backup of financial records	Permanent
Digital backup of audit reports/financial reviews	Permanent
<b>Tax Records</b>	
Tax returns/990 (and supporting documentation)	Permanent
501(c)(3) application and determination letter	Permanent
Withholding/payroll tax returns	Permanent
IRS correspondence	Permanent
8283/8282 forms	Permanent

**TYPE OF RECORD**

**RETENTION PERIOD (YEARS)**

**Conservation Project Development and Stewardship Records**

a. Conservation easement, amendments, administrative supplements, and complementary agreements	Permanent
b. Fee simple property warranty deed and final plat	Permanent
c. Baseline Documentation Report or Management Plan, including the following appendices:	Permanent
i. "Site selection" (includes Phase I environmental assessments, project selection criteria, and site evaluation reports)	Permanent
ii. "Supporting legal information" (includes relevant legal documents and plats prior to property acquisition)	Permanent
iii. "Photographs"	Permanent
iv. "Maps and graphics"	Permanent
v. "Other relevant documents" (includes, where applicable, mitigation plans and Army Corps of Engineers release of credits)	Permanent
d. Baseline or Management Plan supplements, including stewardship or management reports	Permanent
e. Purchase and sales agreement	Permanent
f. Purchase option	Permanent
g. Donation agreement	Permanent
h. Property appraisal	Permanent
i. Title report, commitment, or insurance policy	Permanent
j. Settlement statement	Permanent
k. Stewardship/management endowment calculation	Permanent
l. Evidence of stewardship/management funds deposit	Permanent
m. IRS Form 8283	Permanent
n. IRS Form 8282	Permanent
o. Project budget	Permanent
p. Promissory notes or mortgages	Permanent
q. Project Tracking Checklist	Permanent

- |       |   |           |
|-------|---|-----------|
| r.    | Board approvals, resolutions, and minutes   | Permanent |
| s.    | Contact record, including at least the following:   | Permanent |
| vi.   | <i>Landowner correspondence</i> : letter/email of landowner interest; donor acknowledgement letter; acceptance of project   | Permanent |
| vii.  | <i>Agency correspondence</i> : ILF mitigation request (if applicable); US Army Corps of Engineers approval (if applicable); IRT correspondence and mitigation proposal (if applicable)                                | Permanent |
| viii. | Correspondence with the landowner related to project goals, tax and legal matters, notifications, approvals, enforcement and other key matters the land trust determines essential to the defense of the transaction. | Permanent |

**TYPE OF RECORD**

**RETENTION PERIOD (YEARS)**

**Accounting and Financial Records**

Accounts payable ledger	7 years
Accounts receivable ledger	7 years
Audited financial statements/reports	Permanent

**Bank Records**

Contracts, signature cards, corporate resolutions or other appropriate account information	7 years
bank statements	7 years
bank reconciliations	1 year
Cancelled checks/statements for major items/taxes	Permanent
Cancelled checks/statements, unimportant items	7 years
Cancelled stock and bond certificates	7 years
Capital stock and bond records	Permanent
Check registers	7 years
Deposit slips	7 years
Duplicate deposit slips	1 year
Withdrawal slips	7 years
Budgets	7 years
Cash disbursement journals	7 years
Cash receipt journal	7 years
Chart of accounts	Permanent

Contracts and leases (in effect)	Permanent
Contracts and leases (expired)	7 years [a]
Credit memos	7 years
Depreciation schedules	Permanent
Employee accident reports, claims for settled cases	7 years
Employee expense reports	7 years
Employee payroll records	7 years
Expired option records	7 years

**Accounting and Financial Reports**

Year-end	Permanent
Quarterly	7 years
General journal	7 years
General ledger	7 years
Internal audit reports	5 years
Investment records/reports	7 years

**TYPE OF RECORD**

**RETENTION PERIOD (YEARS)**

**Accounting and Financial Reports (cont'd)**

Invoices (paid and unpaid)	7 years
Payroll registers/related records	7 years
Purchases (merchandise and permanent assets)	7 years

**Personnel Records**

Applications (non-employee)	6 months
Employment applications	3 years
Employee personnel files (performance evaluations, employment contracts, W-4 forms)	7 years [a][b]

**Internal Memoranda and Correspondence**

Emails and voicemails	Determined by content
Informal notes, copies of routine correspondence	3 years
Internal reports	3 years

**Fundraising Records**

Donor pledge forms	7 years
Donation records	7 years
Campaign summary reports	Permanent

**Outreach Records**

Grant applications	7 years
Grant reports	7 years

[a] Retention period begins at termination

[b] Employee records of exposure to workplace hazards must be retained 30 years after employment

Unless otherwise noted, all retention periods begin with filing the tax return to which the document applies. If the statute of limitations concerning a tax year is extended, retention should be extended accordingly.



## PROCEDURE

### Purchasing Land

The purpose of this procedure is to justify the purchase price of property acquired either (a) without a qualified appraisal or (b) above the appraised value. A land trust must be able to justify the price paid for several reasons: to show fiscal responsibility; to avoid private inurement or excess private benefit; to substantiate prices paid in a changing market; to avoid inflating market value; to avoid losing money on resale; and to be prepared in the event of condemnation.

#### **A. Purchased without a Qualified Appraisal**

If SEAL Trust decides to purchase the property without a qualified appraisal, it needs to write up a justification of the purchase price (see associated template).

Detail the following, as applicable, in the justification:

1. land's low economic value or extremely limited development potential;
2. time pressure on land trust;
3. prior appraisal value confirmed by a letter of opinion;
4. and/or property is in close proximity and is similar to other property recently purchased at fair market value as defined in a qualified appraisal.

Attach the following supporting documents, as applicable, to the justification:

1. fully researched value analysis;
2. letter of opinion;
3. preliminary report;
4. and/or professionally prepared land value spreadsheet for properties of similar size and with similar attributes.

#### **B. Purchased above Appraised Value**

Note that the Land Trust Alliance recommends not paying more than 5-10% over appraised value.

Detail all of the following in the justification:

1. legal advice that SEAL Trust received related to the purchase price;
2. market advice;
3. the property's unique value;
4. an impending threat to the property;
5. the property's value to the land trust;

6. and the public interest that the property serves.

Attach the following supporting documents, as applicable, to the justification:

1. appraisal(s) by those capable of quantifying the premium;
2. expert opinions of biologists or architects;
3. well documented deliberations by SEAL Trust's Board validating the land trust's willingness to pay a premium due to the property's special attributes and risks;
4. trend data for market appreciation;
5. a list of similar purchases and their range of values;
6. and/or a description of market factors not covered in the appraisal.



[PROPERTY NAME]

## Justification of Purchase Price

[Paragraph justifying purchase price.]

### *Supporting Documents*

- [Document 1]
- [Document 2]

TEMPLATE





ADOPTED: April 20, 2011

AMENDED: NA

## POLICY

### Baseline Documentation Report

#### I. Purpose

A Baseline Documentation Report (Report) is a written and visual report that describes the physical and ecological condition of a parcel and man-made improvements on the land at the time a conservation easement is granted to SEALTrust. It documents the conservation values that are to be protected and provides baseline information against which performance under the easement is measured and future human activities and natural changes can be compared. The Report summarizes the history of the property and its implications for future property management, and it provides a point of comparison for resolving future land use and potential easement violation issues. The Report is also an educational tool SEAL Trust would use to describe the property's conservation values to Board members, new staff and successor landowners. Along with a copy of the conservation easement, the Report also is a tool for building a cooperative relationship with successor landowners.

Each conservation easement will have a corresponding Baseline Documentation Report. The Report shall be written to a standard that satisfies the U.S. Treasury Internal Revenue Code and IRS regulations for tax-deductible conservation easements and bargain sale donations.

#### II. Timing and Signatures

The Report is prepared prior to closing and is signed by the landowner at closing. The Report preparation schedule shall include adequate time for the landowner to review a draft Report and recommend changes.

- A. At closing, the landowner and the Trust must sign the Report, certifying that the Report is an accurate representation of the property, including its physical features, relevant site conditions and uses at the time of the transfer. This Certification Statement will immediately precede the notarized Report signatures.
- B. If a Report is completed six (6) or more months before the easement is executed, the Report will be reviewed prior to closing, and updated, as appropriate.
- C. If seasonal conditions or other obstacles prevent the completion of the Report by closing, the parties will sign an interim Report, certifying that the information presented is accurate as of the time of the transfer. The parties will also sign a written baseline agreement that identifies the additional information needed and establishes the schedule

for developing and signing the Report Supplement. The Report Supplement will also be certified with notarized signatures.

### **III. Funding**

Funding for the Report preparation must be committed before the conservation easement is executed by SEALTrust. Likely sources of funding might include:

- A. The landowner;
- B. If the conservation easement provides mitigation credits under SEAL Trust's In-Lieu Fee program, Report costs may be expensed to the In-Lieu Fee Program Account;
- C. Special project funds, gifts, grants, etc. held by SEAL Trust and designated for such purpose.

### **IV. Preparing Baseline Documentation**

- A. At least one on-site visit is required to assess the property and collect baseline information.
- B. The Report will be prepared by one or a combination of the following: SEALTrust staff; a volunteer(s) who has been trained by SEAL Trust staff and working under staff supervision; a qualified professional under contract. At a minimum, a preparer of the Report shall have a working knowledge of the local ecology of the area and shall follow a format provided by SEAL Trust staff.
- C. The Executive Director, or designated staff, shall review a draft of the Report. Only the SEAL Trust Board President, Lands Committee Chairperson or Executive Director is authorized to sign a Baseline Documentation Report on behalf of the Trust.

### **V. Contents of a Baseline Documentation Report**

- A. Every SEALTrust Baseline Documentation Report shall meet the U.S. Treasury Internal Revenue Service ("IRS") regulation §1.170A-14(g)(5)(i). The supporting documentation must be sufficient to address the IRS Conservation Purposes Test and Public Benefit (IRC §170(h) and IRS regulations §1.170A-14(d & e)).
- B. A Report shall contain information necessary to describe the physical and ecological condition of the property and any man-made structures or activities on the land at the time the easement is executed. These features will be described to the extent that they relate to the specific conservation values being protected by the easement or to the restrictions contained in the easement.
- C. A Baseline Documentation Report prepared for Southeast Alaska Land Trust will only contain components useful or helpful in understanding, monitoring and enforcing the easement and shall generally include the following:

1. Cover Page
2. The Certification Statement, with notarized signatures.
3. Table of Contents, including a list of attachments, maps, plats and photographs
4. Report Summary
5. Introduction
6. Property Description (including any legal identification, history of land use, existing man-made structures)
7. Natural Physical and Ecological Features
8. Conservation Purpose
9. Photographs, including geo-referenced photo points
10. Supporting Legal Information
11. Maps and Graphics
12. References
13. Qualifications of the Preparer

## **VI. Baseline Documentation Report Supplement**

- A. The Baseline Documentation Report shall be kept in its original form, without alteration. A Report is supplemented over time to reflect changes to the physical and ecological conditions of the land and man-made structures/activities on the property since the date the conservation easement was executed.
- B. SEAL Trust's annual Stewardship Visit Reports, including the supporting photographs and other documentation, acquired to document the condition of the property over time, are considered supplements to the original Report. The original of each annual Stewardship Visit Report shall become a supplement to the original Report.
- C. Other stewardship records, such as documentation of the exercise of reserved rights, violation, enforcement, or legal defense shall supplement the original Baseline Documentation Report.

## **VI. Handling and Storage of a Baseline Documentation Report**

SEALTrust shall follow its Records Management Policy to archive and preserve the original Report and its supplements.

- A. At least two signed originals of a Baseline Documentation Report shall be prepared: one for the SEALTrust archive, and one to be given to the landowner. Only *copies* of the original Report are to be used for office and field use.
- B. If the conservation easement is co-held by another organization or agency, a third signed original Baseline Documentation Report is prepared for the co-holder.
- C. In the event of a discrepancy among the multiple, original Reports, the one archived by SEALTrust is the official document.

## **VII. Policy Review**

The SEAL Trust Board of Directors will review the Baseline Documentation Report Policy at a minimum once every three years, and update or amend the policy, as needed.

## **VII. Procedures to Implement Policy**

The SEALTrust will develop procedures, as needed, to implement the Baseline Documentation Report Policy. The SEALTrust Executive Director, or designated staff, will review the procedures annually and update the procedures, as appropriate.



ADOPTED: April 20, 2011

AMENDED: NA

## POLICY

# Conservation Easement Monitoring

### **I. Purpose**

The Southeast Alaska Land Trust (SEAL Trust) is committed to monitor, defend and enforce the terms of each conservation easement it holds. Monitoring is essential to: 1) build and maintain rapport with the landowner; 2) ensure the property is used in accord with the easement terms; 3) identify notable natural or man-made changes that occur on the property; 4) provide a record of property conditions; 5) save time and money by identifying problems early; 6) support documentation of violations and any court actions that may be necessary; and 7) satisfy Internal Revenue Service requirements for tax-deductible donations.

### **II. Monitoring Defined**

Conservation easement monitoring is the program of regularly inspecting and documenting the conditions on easement properties to ensure that the conservation values are protected over time. Monitoring trips are often referred to as “stewardship visits.”

### **III. Landowner Relations**

Over the long term, conservation easement monitoring is the interface of SEALTrust with our most important partners, the landowners. It provides the on-going opportunity to promote constructive and positive relationships and to demonstrate SEAL Trust’s professionalism and integrity. Each stage of the monitoring process provides an opportunity for staff to improve rapport with the landowner, inform them about each party’s role and responsibilities under the conservation easement, and support their good stewardship of the land.

As a courtesy, SEAL Trust will contact the landowner prior to conducting monitoring and invite the landowner to join staff during the onsite visit. A copy of the SEAL Trust staff report of each monitoring visit will be provided to the landowner.

In the event of the transfer of an easement property (e.g., sale or inheritance), SEAL Trust makes every effort to establish a positive relationship with the successor landowner to: 1) inform them

of SEAL Trust's mission; 2) help them understand their conservation easement rights, restrictions and responsibilities; and 3) encourage them to continue the tradition of good land stewardship. Since each conservation easement requires the landowner to notify SEAL Trust in advance of a transfer, SEAL Trust will begin establishing a relationship with the successor landowner prior to the closing of a real estate transaction, if at all possible.

#### **IV. Monitoring Transport Modes**

Monitoring may be conducted by on-the-ground or aerial inspections. On-the-ground monitoring provides a detailed view of structures, activities and changes in site conditions. Typically, it also allows the landowner to more easily participate in the visit. Aerial monitoring is useful for viewing large, remote, or undeveloped properties and for understanding the overall context of an easement property and its conservation values within the general landscape. All monitoring and especially aerial monitoring is to be performed, to the extent practicable, when visibility is optimal, such as during leaf-off seasons and when no significant snow exists on the ground.

#### **V. Frequency of Monitoring**

Each conservation easement held by SEALTrust shall be monitored on-the-ground or aerially at least annually. Monitoring may be conducted more frequently if circumstances warrant. For example, an easement may be monitored more frequently during the exercise of reserved rights, if development occurs on adjacent lands, or when credible sources suggest problems exist. An on-the-ground inspection may follow an aerial inspection when the aerial observations raise concerns or suggest follow-up action may be necessary.

In any event, SEALTrust will conduct an on-the-ground inspection of all road-accessible easement properties annually and all remote sites at least once every three years.

#### **VI. Monitors and Training**

Monitoring may be conducted by the SEALTrust Executive Director, designated staff, assigned volunteers, professional contractors, or conservation partners. All scheduling, assignments, and monitoring activities will be coordinated and approved in advance by the SEALTrust Executive Director.

Prior to commencing monitoring, all monitors shall receive adequate training by SEAL Trust staff about the purpose and importance of the monitoring process and landowner relations, the

procedures for monitoring in a safe and professional manner, the proper use of equipment, and the required recordkeeping.

## **VII. Suspected Violation**

In the event of a suspected violation, the monitor will follow the SEALTrust Conservation Easement Enforcement Policy.

## **VIII. Recordkeeping**

The monitor will provide the original (and copies) of the monitoring report (“Stewardship Visit Report”) to the SEAL Trust Records Manager for filing in accordance with the SEAL Trust Records Management Policy.

## **IX. Conflict of Interest**

The SEALTrust Conflict of Interest Policy applies to all monitoring activities. No Insider, as defined in the Conflict of Interest Policy and who owns property covered by a SEALTrust conservation easement, may monitor their property or neighboring properties. No Insider may monitor any property in which they have a material financial interest.

## **X. Policy Review**

The SEALTrust Board of Directors will review the Conservation Easement Monitoring Policy at a minimum once every three years, and update or amend the policy, as needed.

## **XI. Procedures to Implement Policy**

The SEAL Trust will develop procedures, as needed, to implement the Conservation Easement Monitoring Policy. The SEAL Trust Executive Director, or designated staff, will review the procedures annually and update the procedures, as appropriate.



ADOPTED: March 21, 2012

AMENDED: NA

## POLICY

### Conservation Easement Enforcement

#### I. Purpose

When SEALTrust accepts a conservation easement, it also accepts the responsibility to insure that the terms of the easement are upheld. SEALTrust is therefore obligated to (1) conduct routine property inspections, (2) take prompt and appropriate action when a potential violation is observed, and (3) pursue fair and equitable resolution of documented violations. This Easement Enforcement Policy establishes guidance for handling potential and documented easement violations (2 & 3 above).

In addition to protecting the conservation values of a subject property, the fair and equitable enforcement of our easements is critical because it generates public confidence in SEALTrust's ability to meet its legal responsibilities, maintains our ability to hold future conservation easements, and insures continuation of our tax-exempt status.

SEALTrust recognizes that landowner education and relationships, not litigation, provide the best immediate and long-term assurance that conservation easements are upheld. As such, SEALTrust will conduct itself in accord with our established values – respect, integrity, competence - and seek to keep the landowners and all other involved parties informed of our mission and conservation methods and requirements.

This policy is solely intended to guide SEALTrust officers, directors and employees. It is not intended to create any right, privilege or expectation in any third party, including any easement holder.

#### II. Discovering/Documenting a Conservation Easement Violation.

Staff conducts property inspections of each easement at least annually and, when based on an inquiry or report from a land owner or a third party, the Executive Director or designated staff determines that a follow-up inspection is warranted. If a possible violation of a conservation easement is observed during any inspection, SEALTrust's discovery occurs in two distinct steps: Field documentation followed by an office assessment.

##### A. Field evaluation and documentation of a potential violation.

1. All potential violations are documented with geo-referenced photographs, descriptions of the observed impacts, measurements of the affected area, measurements of damage to the affected conservation values as feasible and appropriate, and other field notes and supporting information as appropriate. All materials are signed and dated by the author. (Note: "technical violations," as defined below, may not require such substantive documentation.)



2. As part of the field evaluation, or subsequent to it, the Executive Director or designated staff may interview the landowner or relevant third parties to determine the nature or reason for the activity that has resulted in the potential violation or to assist in the impact evaluation. These conversations, if they occur, are to gain an understanding of related circumstances. Staff may state that they have concerns, but will not assert that a violation has occurred until subsequent procedural steps are completed. (Note: Any formal statement of a violation will come from the Executive Director or the Board after completion of subsequent procedural steps.) These conversations will be summarized, dated and signed.

B. Assess if an actual violation has occurred. Upon returning to the office, staff will review the conservation easement, baseline report and supporting information, and monitoring reports to determine if, in their judgement, the observed activity or impact does in fact violate one or more terms of the easement and when it may have taken place. These findings, and the site visit, will be clearly documented in a stewardship report to the file and presented, in a timely manner, to the Executive Director or the Board.

### **III. Determining the Severity of a Conservation Easement Violation.**

Each easement violation represents a unique situation and requires a tailored approach. SEALTrust's response to a violation will be commensurate with its severity. The SEALTrust Executive Director is responsible for documenting the extent of the potential violation and ascertaining its severity in accord with the following guidelines.

A. A "technical" or "paper" violation is defined as one that does not adversely affect the conservation values of the conserved land or conflict with the conservation purpose of the easement. Examples might include a failure to give notice before transferring an interest in the conserved property, or failure to seek approval prior to exercising a reserved right when the activity is conducted consistently with the easement.

B. A "minor" violation is an action that has a negligible effect on the conservation values protected by the easement. These violations may be remedied through restoration, an amendment or other solution. Examples might include construction of a building in such a way that a small portion extends outside the building envelope, minor ground disturbance, trash dumping, minor tree cutting, etc.

C. A "moderate" violation is defined as an action that causes negative damage to the conservation values protected by the easement, and violates one or more of the explicit conservation purposes and easement terms. Moderate violations could be transitory and severe, or permanent and less damaging to the resource, or affect a smaller area of the conserved land. Examples might include construction of prohibited improvements such as pioneer roads or ponds; the extension of utilities to structures allowed by the easement but for which no utility service is allowed (e.g., hunting cabins, storage sheds, etc.); timber harvests that were not conducted according to required best practices, etc.

D. A "major" violation is defined as an action that has a serious and often permanent negative impact on the conservation values protected by the easement. Major violations

could negatively affect a large area of the protected property, or be difficult or impossible to mitigate or remediate. Examples might include construction not permitted by the easement; surface mining; excavation, timber harvest, pollution, wetland filling/drainage, etc.

#### **IV. Notice to the Board**

- A. Immediate Action Required. If an easement violation is ongoing and the Executive Director determines time is of the essence to protect the conservation value(s) of the conserved land, the Executive Director immediately requests the Board President to call a meeting of the Executive Committee. The Committee shall consider and authorize any immediate actions necessary, including requesting a court to issue a temporary restraining order and/or a preliminary and permanent injunction, or authorizing SEALTrust take other immediate corrective action. If immediate action is taken under this subsection, the remainder of this subsection does not apply.
- B. Executing Corrective Action for Technical and Minor Violations. Subject to (A) of this section, if the Executive Director determines an easement violation is technical or minor, the Executive Director is responsible for taking actions to cure the violation and will advise the Board of the violation and status at its next regularly scheduled meeting.
- C. Executing Corrective Action for Moderate and Major Violations. Subject to (A) of this section, if the Executive Director determines an easement violation is “moderate” or “major,” the Executive Director will immediately notify the President and the Lands Committee Chair, who may, as circumstances warrant: (i) submit the matter to the Board for action at either its next regularly scheduled meeting or a special meeting held for that purpose; or (ii) if protection of the conservation resources requires, submit the matter for action to the Executive Committee. The members will discuss the violation and an enforcement strategy.
- D. Ongoing Notice. The Executive Director will provide regular reports to the Board on the status of conservation easement violations until the violations have been satisfactorily cured.
- E. Executing Corrective Actions if Landowner Fails to Cure Violation. Subject to (A) of this Section, if the landowner does not agree that there is a conservation easement violation, disagrees with proposed corrective action, or fails to continue to diligently cure the violation, the Executive Director notifies the Board President and the Lands Committee Chair and requests a meeting of the either the Board or Executive Committee, as protection of the conservation resources requires, and including legal counsel as appropriate, to determine necessary action. SEAL Trust may:
1. Recover damages for loss or injury to the conservation values if the landowner fails to continue to diligently cure the violation.
  2. Independently undertake corrective action if the landowner fails to continue to diligently cure the violation.

3. Bring legal action to enforce the terms of the easement.
4. Take other actions in accord with the terms of the easement.

## **V. Working with the Landowner to Correct the Violation**

- A. Landowner is Responsible Party. For any violation, including violations caused by trespass or third parties, the landowner is the responsible party.
- B. Mitigation Considerations. SEALTrust's approach to curing a conservation easement violation may take into account its relationship history with the landowner and other mitigating circumstances.
- C. Initiating Landowner Contact. Subject to Section IV(A) of this policy, The landowner will be given an opportunity to voluntarily correct the violation within the shortest feasible time.
  1. For all technical and minor violations, the Executive Director is responsible for all landowner contact to discuss the violation and corrective actions to sufficiently cure the violation. Any required curative actions to must be documented in a follow-up certified letter to the landowner.
  2. For all moderate or major violations, the President calls the landowner to discuss the Executive Committee's or Board's findings and sends a follow-up certified letter which specifies the violation, includes appropriate references to the Conservation Easement, and documents the Committee's findings.
- D. Communicating with Landowners. Once the parties agree to the necessary curative actions sufficient to cure the violation, SEALTrust works with landowners to facilitate full and timely resolution. SEALTrust may draw upon outside expertise as needed, and should establish milestones for measuring progress on easement violation cures.

If re-inspection confirms full compliance with the enforcement corrective action plan, the Executive Director sends a written acknowledgement to the landowner.

If re-inspection confirms non-responsiveness, the Executive Director contacts the landowner to evaluate the reasons for the delay. The Executive Director requests a meeting with the Board.

## **VI. Mediation**

SEALTrust may consider mediation as an alternative to legal action. Any mediation determination shall not be binding upon the parties unless they both agree to be so bound.

## **VII. Going to Court**

SEALTrust may have to go to court in order to defend an easement, stop damaging activities, or recover damages. This should be considered as a last resort. In such cases, the Trust should consult with an experienced trial lawyer to assess the merits of the case, the documentation of the alleged violations and the likelihood that the court will interpret the activity as a violation of the easement. The Trust must also be sure to maintain adequate stewardship funds for its legal expenses.

**VII. Policy Review**

The SEALTrust Board of Directors will review at least every five years the Easement Enforcement Policy, and update or amend the policy as needed.



ADOPTED: April 20, 2011

AMENDED: NA

## POLICY

### Conservation Easement Amendments

#### I. General Policy Statement

A. The Southeast Alaska Land Trust (SEAL Trust) acquires and holds conservation easements on property in order to protect, in perpetuity, the conservation values on the land, including scenic, agricultural, and/or wildlife resources of the property and surrounding areas, for the benefit of present and future generations. SEAL Trust is committed to ensuring the perpetuity of the conservation easements it holds and shall not seek termination of any conservation easement in response to a request for an amendment.

B. Because SEAL Trust's acquisitions are primarily achieved through voluntary agreements with landowners, the success of the conservation easement program depends upon the confidence of these landowners that SEAL Trust will meet its obligation to monitor and enforce the agreements. This confidence would be seriously eroded if SEAL Trust were to allow indiscriminate and unwarranted modification of its conservation easements.

C. Furthermore, amendments to conservation easements can raise serious problems with the Internal Revenue Service. SEAL Trust's tax-exempt status as an organization may be jeopardized if easements are amended gratuitously. An easement donor who has claimed a charitable deduction for a gift of an easement may lose that deduction if the easement were amended. An amendment that results in a benefit to a landowner or any other private party may create a "private inurement" or "private benefit", if the benefit conferred by the amendment is more than incidental. The U.S. Tax Code prohibits SEAL Trust from engaging in any actions that create private inurement or private benefit.

D. For these reasons and others, it is the policy of SEALTrust to hold and enforce its conservation easements as written. Amendments to conservation easements will be authorized only in limited situations and only in the types of conditions outlined below. No amendments to conservation easements will be granted that could jeopardize SEAL Trust's tax-exempt status or that could cause the easement to fall out of compliance with applicable federal, state or local laws, regulations or ordinances.

E. SEAL Trust's policy is that the requester of the amendment shall pay all costs, including staff time and consulting fees for reviewing the request, whether or not the amendment is

granted, and of implementing the amendment if approved. SEAL Trust may require that the party requesting the amendment cover the cost of a qualified appraisal of the value of the requested amendment, in order to assess whether the amendment will result in any private inurement or will confer any private benefit. At SEAL Trust's sole discretion, SEAL Trust may waive the foregoing requirement that the requester of the amendment pay all or some of the costs of amendment review, approval, appraisal, or implementation.

## **II. Conditions under Which an Amendment Request May Be Considered**

SEAL Trust will consider an amendment to a conservation easement only under the following circumstances:

**A. Prior Agreement.** In a few cases, a conservation easement may have a specific provision allowing modification of the easement at a future date under specified circumstances. Such agreements must be set forth in the conservation easement document or in a separate written document signed by SEAL Trust and the conservation easement grantor at the time the document was executed. The amendment must be consistent with the terms and conservation purposes of the original agreement.

**B. Correction of an Error or Ambiguity.** SEAL Trust may authorize an amendment to correct an error or oversight made at the time the conservation easement was executed. Such errors or oversights may include, but shall not be limited to, correction of a legal description, inclusion of standard language that was unintentionally omitted, or clarification of ambiguities. Any amendment authorized to clarify conservation easement ambiguities shall be supported by written statements, affidavits, agreements between SEAL Trust and the conservation easement grantor, or other tangible evidence that the intention of the amendment is to clarify and implement the parties' original intentions when SEAL Trust first acquired the conservation easement from the grantor.

**C. Settlement of Condemnation Proceedings.** Conservation easements SEAL Trust holds may be subject to condemnation for public purposes, such as for highways and schools. When it appears that the government's condemnation power will be properly exercised to terminate a SEAL Trust conservation easement, SEAL Trust may enter into a settlement agreement with the condemning authority and landowner in order to avoid the expense of litigation. In reaching such an agreement, SEAL Trust shall attempt to preserve the intent of the original conservation agreement to the greatest extent possible.

**D. Amendments Consistent with Conservation Purpose and Enhancing Conservation Values.** SEAL Trust may authorize an amendment to a conservation easement provided that the amendment is determined to be consistent with the original intent of SEAL Trust and the grantor, consistent with the statement of purpose in the easement, and provided that the amendment enhances, or has no adverse effect on, the Conservation Values protected by the easement. No

amendment will be granted under any circumstances if SEAL Trust determines, in its sole discretion, that the amendment would 1) affect the conservation easement's perpetual duration, 2) result in less protection of the Conservation Values protected by the original conservation easement, or 3) result in private inurement or private benefit to any party. Nothing in this policy shall be interpreted to require SEAL Trust to grant a conservation easement amendment request, even if all of the foregoing criteria are met. SEAL Trust shall have unlimited discretion to grant or to deny each amendment request and shall evaluate each request on a case-by-case basis.

### **III. Amendment Process**

A. A landowner or other party seeking an amendment to an existing conservation easement must present to SEAL Trust a request in writing, stating what change is being sought and the specific reasons why it may be needed or warranted. The request shall be accompanied by appropriate maps and other documentation. A request from a party other than the landowner must also be accompanied by a letter of agreement or, at a minimum, a letter of non-objection, signed by the landowner(s).

B. Upon receipt of a request, SEAL Trust will hold an initial consultation meeting with the landowner or other person who requests the amendment. During this initial consultation meeting, costs to review and process the request and payment arrangements will be discussed and agreed upon. A cost agreement will be developed and signed before proceeding. Upon receipt of an initial payment, SEAL Trust staff shall commence review of the amendment request.

C. Evaluation of requests shall include consultation with the third parties, when applicable and appropriate, including:

- Reasonable efforts to discuss the proposed amendment with the principal parties to the original transaction, including the landowner who granted the easement or his/her heirs or successors.
- Funders, if any, of the original easement. SEAL Trust shall comply with all applicable funding requirements.
- Additional third parties, public or private, whose opinions or expertise SEAL Trust determines may be helpful to its evaluation of the amendment request.

However, in all cases except where funding requirements apply, SEALTrust shall have no obligation to confer with third parties, and, if it does, any third party opinions about the propriety of granting or denying an amendment request shall be advisory only. SEALTrust retains exclusive authority to grant or deny an amendment request, within the constraints of funding requirements.

D. SEAL Trust staff will review the request for amendment, compile information, and, when

appropriate, conduct an on-site visit(s). Staff will provide a written recommendation to the SEAL Trust Lands Committee. If the Lands Committee finds that the amendment is legally permissible, consistent with the terms of this policy, and clearly warranted by the circumstances, the Lands Committee will forward the request and the Committee's written recommendation to the SEAL Trust Board of Directors for action at its next regularly scheduled meeting. A decision by the Lands Committee to disapprove the amendment request will be final, unless the landowner or other party requesting the amendment presents a written request for review by the Board, with his/her reasons for requesting Board review. The written request for Board review must be received by SEAL Trust no later than fifteen (15) calendar days after notification of the Lands Committee's decision.

E. In the event that an amendment request is initiated by SEAL Trust, the amendment shall meet one or more of the conditions in Section II, and the process outlined in this policy shall be followed.

F. The SEAL Trust Board may approve, reject, or approve with modifications the amendment request. Approval shall require a two-thirds (2/3) majority vote of the full Board.

G. Easement amendments that are approved by the Board must be signed by the SEAL Trust Executive Director and landowner(s), and must be recorded in the land title records of the local jurisdiction in which the affected property is located. The appropriate planning board will be notified of any conservation easement amendments within that planning board's jurisdiction.

#### **IV. Policy Review**

The SEAL Trust Board of Directors will review the Conservation Easement Amendment Policy at a minimum once every three years, and update or amend the policy, as needed.

#### **V. Procedures to Implement Policy**

The SEAL Trust will develop procedures, as needed, to implement the Conservation Easement Amendment Policy. The SEAL Trust Executive Director, or designated staff, will review the procedures annually and update the procedures, as appropriate.





Date

## [NAME OF PROPERTY] CONSERVATION EASEMENT AMENDMENT Staff Recommendation to Lands Committee

### **Description of the Proposed Amendment**

[Either write the entire amendment (with section and page references) or describe it generally.]

**Requester:** [Name]

### **Staff Recommendation**

[Accept, refuse, alter the amendment]

**Pre-Conditions** [choose which condition is appropriate and remove the others]

#### *Prior agreement*

[Explain or cite the provision allowing modification of the easement. Explain or cite the specified circumstances under which this would be allowed. Note whether this agreement was in the easement or a separate document signed by SEAL Trust and the grantor.]

#### *Correction of error or ambiguity*

[Explain and cite the error or oversight made at the time the conservation easement was executed. Such oversights may include but are not limited to: correction of a legal description, inclusion of standard language that was unintentionally omitted, or clarification of ambiguities. Reference written statement, affidavit, or agreement, which can be attached to this info sheet, that describes the intention of the amendment.]

#### *Settlement of condemnation proceedings*

[Describe the public purpose for the condemnation of the easement. Describe the settlement agreement SEAL Trust entered into with the landowner and

condemning authority to avoid litigation. Describe how this agreement attempts to preserve the intent of the original conservation easement.]

*Amendment consistent with conservation purpose and enhancing conservation*

[Explain how the proposed amendment is consistent with the original intent of SEAL Trust and the grantor, the statement of purpose in the easement, and (provided the amendment enhances or has no adverse effect on) the Conservation Values protected by the easement.]

**Refusal of Amendment Request** [remove this section if none of the below applies]

SEAL Trust staff recommends that the Board does not grant an amendment to the [Property Name] Conservation Easement for the following reasons:

1. The amendment will affect the conservation easement's perpetual duration.  
[Explain]
2. The amendment will result in less protection of the Conservation Values.  
[Explain]
3. The amendment will result in private inurement or private benefit to [SEAL Trust, the grantor, etc.].  
[Explain]
4. Other.  
[Explain – SEAL Trust has unlimited discretion to grant or deny any amendment request]

**Consultation Reports** [only keep those that are applicable]

*[Lawyer name]*

[Describe the lawyer's comments on the amendment]

*[Funder name]*

[Describe any funder(s)'s comments on the amendment]

*[Original landowner name]*

[Describe original landowner's comments on the amendment]

*[Other – survey, environmental, etc.]*

[Describe other's comments on the amendment]

**Attachments**

Amendment request

Letter of agreement from landowner [if request comes from third party]

Cost agreement



Date

[NAME OF PROPERTY] AMENDMENT

Lands Committee Recommendation to Board of Directors

**Description of the Proposed Amendment**

[Either write the entire amendment (with section and page references) or describe it generally.]

**Lands Committee Recommendation**

[Accept, refuse, alter the amendment. Explain briefly, in bullet points. Preferably reference the specific language used in the staff recommendation report.]

**SEAL Trust Conservation Easement Amendments**  
**Cost of Review Formula**

*[Property name]*

[Date]

	Rate	Hours	Total
			0
Staff (research, negotiation, drafting)			0
Professional fees - Legal			0
Professional fees - Survey			0
Professional fees - Environmental			0
Transaction costs - Other			0
Transaction cost - recording fees			0
			0
	<b>Total Cost of Review</b>		<b>0</b>