Welcome to:
Land Trust Board Boot Camp

Session 2 – Board Governance
Land Trust Standards & Practices

Standards 1-4, and 7 go to Governance (more or less)

- Standard 1 – Mission, Planning and Ethics
- Standard 2 – Compliance with Laws
- Standard 3 – Board Governance
- Standard 4 – Conflicts of Interest
- Standard 7 – Personnel Resources
Land Trust Boards – Personnel + Governance
Legal/Fiduciary Duties

Duty of Care
- Exercise degree of care and responsibility that a reasonably prudent person would
- Stay informed of the organization's activities and situation
- Go to meetings
- Participate in decision-making - democratic, broad and no minority rule
- Note: implies responsibility for staff/leadership to get you the information you need, in a manner so that you can fulfill this responsibility

Duty of Loyalty
- When you are acting as a board member, wear the organization’s hat
- Decisions in the best interest of the organization, free from other influences
- Including your personal interests & those of other persons/organizations to which you may be beholden

Duty of Obedience
- Steer the organization in the direction of its mission, vision and strategic plan
Ethics
Nonprofits perform a public service, we must hold ourselves to high standards of ethics

Mission, Vision and Strategic Direction
Mission serves a public purpose, reflects the community served, seeks to engage the community

Community Engagement
Understand one’s community and constituents, seek to include and engage the community, build relationships with community leaders and stakeholders

Standard 1: Ethics, Mission & Community Engagement

Strategic Plan
Maps out organization’s goals and objectives for 3-5 year horizon (sometimes longer)
For land trusts: Land Protection, Stewardship, Programs, Outreach, Fund Development, Organizational Capacity
Strategic Plan informs Annual Workplan
Annual Workplan

• Coordinates with Budget, and Fundraising Plan
Incorporation (state)
Incorporate as a Non-Stock organization
Maintain status by filing annually with Secretary of State

Tax-Exempt Status (federal)
File application with the IRS, recognition as a public charity, able to accept donations
Maintain status by filing annually a Form 990 and by not running afoul of any prohibited activities (below)

Bylaws
Board-adopted and periodically reviewed for needed revisions:
- Membership and meetings thereof, responsibilities (i.e., elect directors)
- Directors: Number/range and qualifications for directors, terms, elections, meetings thereof (quorum, voting)
- Conference calls, virtual meetings, action without a meeting (email)
- Committees and their responsibilities
- Officers and their responsibilities
- Indemnification

Standard 2:
Compliance with Laws

501(c)(3) Organizations
Do not confer private benefit, including benefit to those with inside info like the board (private inurement), or other individuals (impermissible private benefit). Note: connects back to Duty of Loyalty, also Standard 4: Conflicts of Interest
Do not engage in political campaigns
Stay within limitations on lobbying (advocacy is ok)
Standard 3: Board Accountability

Oversee programs for consistency with mission and vision, public benefit

- Evaluate, hire/retain, set salary for Executive Director or chief staff person

Oversee financial health and sustainability

- Adopt annual budget
- Ensure sufficient resources are available
- Get regular reports including Balance Sheet, P&L, with indications on what assets are unrestricted, board-designated for a certain purpose, or donor-restricted as to use or time
- Reviewing annual independent audit/review
- Adopt written policies/procedures for investment & management of financial assets

Ensure the functioning and sustainability of the board

- Job Descriptions/Board Responsibilities
- Board Committees
- Officers - Chair/President and any VC/VP, Treasurer, Secretary
- Board Composition and Structure (Board depth and breadth, stakeholder representation)
- Recruitment
- Training/Onboarding
- Evaluation, ongoing development, transition planning
Standard 4: Conflicts of Interest

To ensure nonprofits serve the public, and preserve public trust/confidence

Those with inside information or special access to the organization’s operations could influence the org’s actions
Care should be taken to mitigate this potential
And if sufficient mitigation is not possible the transaction should be avoided
Actions taken to manage conflicts of interest should be documented

Conflicts come up when:

- Hire a board member or family member, or board member’s place of business to perform services to the organization
- Accept a conservation easement donation from a board member, or a property adjacent to a board member’s home
- Undertake stewardship activities on property when a major donor stands to benefit
## Conflict of Interest Policies

### Define Insiders (Board, family of, staff, those with special info, donors)

### Disclosure and recusal during meetings

### Management of conflicts
- Arm’s length negotiations
- Benchmarking (FMV or less) (no private inurement)
- Better arrangement cannot be had without the conflict
- Consider public perception

### Documentation – minutes, memos, contracts

### No loans to board members, no payment to board for service

### Annual Affirmations – good time to reflect...but disclosure at all times of year
Standard 5: Fundraising

- Register in states where needed (CT DCP)
- Rules around compensation of fundraising consultants (commissions)
- Donor accountability - accurate representation in solicitations, accuracy in acknowledging, booking, and ultimately spending donor-restricted funds
- Honor requests for anonymity/donor privacy
- Non-conservation properties - be explicit
Standard 7: Human Resources
Periodically Evaluate Capacity Needs

Staff:
- Job Descriptions
- Regular reviews
- Training
- Equitable compensation
- Personnel policies as appropriate

Volunteers:
- Train/orient
- Supervise
- Thank & communicate the relevance = Retain

Contractors/Consultants:
- Written contract: scope of work, timeline, price
- Insurance
- Bids
Board Manual/Common Board Policies

- Code of Ethics/Whistleblower Policy
- Board Responsibilities/Job Description
- Bylaws
- Conflict of Interest
- Recordkeeping (we will talk about under Transactions bucket, but also Federal law)
- Financial Management/Internal controls
- Investment Management

- For land trusts:
  - Easement Enforcement Policy
  - Easement Amendment Policy

What else?
- Board/Volunteer Contacts
- Map of Properties/History
- Strategic Plan/Annual Plan
- Budget
- Financials/990/audit
- Activities/Calendar
- Volunteer Stewardship Procedures & Monitoring Forms