**Policy 3.3 Federal & State Reporting Requirements**

**Committee Responsible**: Finance Committee / Treasurer

**Adopted**: **[DATE]**

**Amended**: **[DATE]**

**Purpose**

It is the intent of the **Sample Land Trust** that every gift of land or easement meets federal and state law requirements. The Land Trust does not hold itself as a professional advisor and therefore seeks professional guidance and informs all donors of their need to seek professional counsel when making a gift of land or conservation easement.

**Policy**

1. Prior to accepting a donation of land or conservation easement with a value exceeding $5,000, the Land Trust will inform the donor, in writing, that: a) the donation must comply with IRC §170 and accompanying Treasury Department regulations, and federal and state laws, and b) the donor, as stipulated by the IRS, is responsible for obtaining an appraisal using a qualified appraiser who follows Uniform Standards of Professional Appraisal Practice.
2. Form 8283 is signed only when all conditions have been met, including completion of Section B, Part 1, “Information on Donated Property,” and Part 3, “Declaration of Appraiser”.
3. If the Land Trust signs Form 8283, its Treasurer will complete and submit to the Internal Revenue Service, Form 8282 for donated property (including real estate or interests therein) transferred or sold within two years of acquisition. A copy of this form shall be provided to the donor. Gift acknowledgement letters must clearly state that the Land Trust takes no position on either the value or tax deductibility of a donation.

1. The Land Trust will not make representations about federal or other tax implications of a proposed donation, nor render legal or tax advice. Instead, landowners are informed that they will need independent and professional counsel. This language is contained in materials and documents shared with prospective donors.
2. The Land Trust never knowingly participates in any transaction where significant concerns exist regarding an appraisal or potential tax deduction. The Land Trust, at its discretion, may seek additional substantiation of a donation’s value. The Land Trust receives and reviews the appraisal prepared for a donor and documents that the Land Trust has shared its concerns regarding the appraisal, the appraised value or other terms of the transaction with the donor and/or legal counsel.
3. If the appraisal indicates an increase in value of more than 2.5 times the basis in the property within 36 months of the pass-through entity’s acquisition of the property, the value of the donation is $1 million or greater and the terms of the transaction do not satisfy the Land Trust Alliance Tax Shelter Advisory, decline the transaction.