



UPPER PENINSULA LAND CONSERVANCY

Policy 2A: Compliance with Laws *Standard 2, 2017 Land Trust Alliance Standards and Practices;* *2021 Accreditation Requirements Manual*

Board Approved: January 9, 2017
Board Revision Approved: April 12, 2022

PURPOSE

The Upper Peninsula Land Conservancy must fulfill all legal requirements as a non-profit, tax-exempt organization and must comply with all applicable laws and regulations.

This policy outlines requirements for accompanying procedures, so that they align with Land Trust Alliance **Standard 2A:**

Do not knowingly conduct operations in violation of law.

INTRODUCTION

Myriad federal, state and local legal restrictions and reporting requirements apply to land trusts — particularly those organized as nonprofit corporations under state law and tax-exempt public charities under federal law. A land trust, particularly one that hires staff, is not only a public charity but also a small business. As a small business, it must comply with laws and regulations governing such entities. Complying with applicable law is critically important for a land trust to maintain public confidence and support. Further, failure to comply with applicable laws can lead to severe financial and other consequences.

REFERENCES

- *Land Trust Alliance Practical Pointers for Standard 2A*
- *IRS Publication “Life Cycle of a Public Charity”*

POLICY

Summary:

The Upper Peninsula Land Conservancy will not knowingly conduct operations in violation of the law, by:

1. *Ensuring compliance with State, local, and Federal regulations for nonprofits*
2. *Conducting regular review and audit of policies, procedures and practices*
3. *Retention of appropriate counsel*

Ensuring Compliance

The Executive Director is responsible for ensuring that all staff, contractors, and volunteers are appropriately trained and in compliance with applicable regulations and laws that may govern any activities conducted in the name of the Conservancy; the Executive Director may establish procedures by



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which another individual, such as a staff member, or third-party entity may conduct compliance reviews or training.

Regular Review and Audit

At minimum, the following policies and procedures should be evaluated against relevant laws during the appropriate periodic review to ensure they are in compliance:

- *1A2. Whistleblower protections*
- *1A3. Avoiding fraudulent transactions*
- *2B. Nonprofit incorporation and bylaws*
- *2C. Federal tax exemption, including:*
 - *2C1a. IRS Form 990 annual return*
 - *2C1b. Prohibition of private inurement and impermissible private benefit*
 - *2C1c. Federal lobbying limitations and reporting*
 - *2C1d. prohibition on political campaign activity*
- *5A1. Charitable solicitation*
- *5B2. Acknowledgement of charitable gifts (donor substantiation letters)*
- *5B4. Donor privacy issues*
- *7E4. Employment laws, including laws addressing classification of workers, time away from work, hiring and dismissal practices, anti-discrimination, tax withholding, workers compensation and so forth*
- *8E1c. Partnerships involving federal and state funding*
- *9E. Conservation easement law and drafting*
- *9G. Recordkeeping*
- *10A1. Charitable gifts of land and conservation easements, including the requirements of §170(h) and the accompanying Treasury regulations*
- *10B. Charitable gifts of land – tax compliance for donee organizations 10C4. Syndications*
- *12B. Land management – use and zoning considerations, Americans with Disabilities Act (ADA) requirements*

Retention of Counsel

The Upper Peninsula Land Conservancy shall retain appropriate paid and/or pro-bono professional legal counsel and shall ensure that such counsel is adequately capable of representing the interests and needs of the Conservancy. The Board of Directors shall review proposals and authorize the Executive Director to enter into contractual agreements with any counsel prior to retaining said counsel.

REVISIONS

This policy should be reviewed by the Board on an annual basis. Any amendments must be approved by vote of the Board of Directors and will require a simple majority to be changed.