

LAND TRUST ALLIANCE

Keepers & Chuckers: Keys to Good Record Management

NOVEMBER 28, 2017

Maryland Environmental Trust | Crownsville, MD



Inset images courtesy of accredited Maine Coast Heritage Trust.



KEEPERS & CHUCKERS



INSPIRATION

Be inspired to protect the great work of your land trust.



TOOLS

Learn about tools to help ensure success.



ACTION

Leave with a jump start on your records and steps to help you take action.

GOOD RECORD MANAGEMENT

- LEGAL DEFENSE
- DAILY OPERATIONS
- HISTORIC RECORD
- LEGAL OBLIGATIONS
- PUBLIC REPUTATION

EXAMPLES OF RECORDS

Corporate/Organizational

Tax-exempt documentation, articles of incorporation, bylaws, board minutes, board lists, policies

Financial

Budget and financial reports, bank and investment statements, general ledger, tax returns, audits

Fundraising

Donations and substantiation, donor restrictions, campaign records

Personnel and Employment

Hiring, payroll, taxes

Programming

Events, strategic and annual plans, volunteer records, PR, lobbying

Property/Transaction

Project planning, due diligence, deeds & easements, and stewardship including monitoring, management, enforcement

2017 LAND TRUST STANDARDS & PRACTICES

Practice 9G

- 9G1 – Have a Records Policy
- 9G2 - Keep originals of all documents essential to the defense of each real property transaction in a secure manner and protected from damage or loss
- 9G3 - Create and keep copies of these documents in a manner such that both originals and copies are not destroyed in a single calamity

Draft Accreditation Requirements Manual

- Board-adopted records policy, covering organizational and transaction records and appropriate to the scale and scope of the organization
- Statement describing your land trust's recordkeeping practices including:
 - How originals (paper or electronic) are kept in a secure manner
 - How originals (paper or electronic) are protected from damage or loss
 - How originals and copies are stored in a way so both are not destroyed in a single calamity

ESSENTIAL RECORDS

- LEGAL AGREEMENTS - deeds, conservation easements, amendments
- CRITICAL CORRESPONDENCE - related to project goals, tax and legal matters, notifications, approvals, enforcement, other key matters the land trust determines essential to the defense of the transaction
- BASELINE DOCUMENTATION REPORTS
- TITLE insurance policies or evidence of title investigation
- SURVEYS, if any
- APPRAISALS used to substantiate the purchase price or used by the landowner to substantiate value on the Form 8283
- FORMS 8283
- MONITORING REPORTS - Conservation easement & fee property inspections
- CONTRACTS and LEASES relative to long-term land management activities

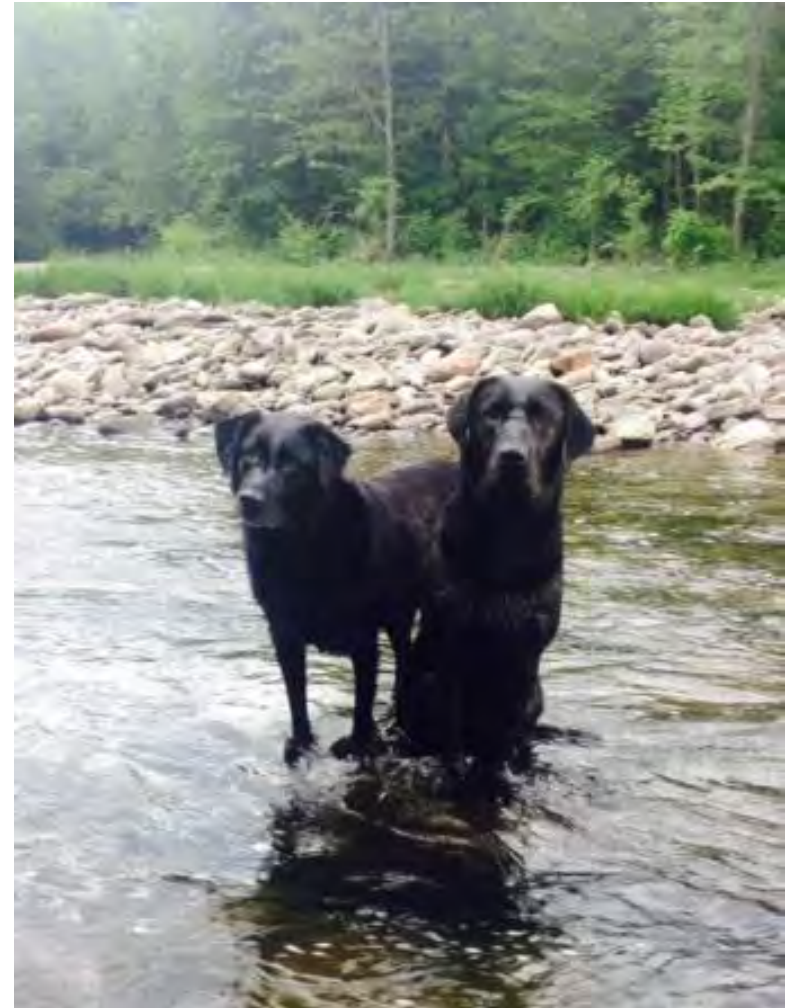
RECORD POLICY & PROCEDURES

- What records to keep
- When - How long to keep records
(System for disposal of records)
- Where to keep records
- How to keep records
- Who will keep records, who has access
- Why - business records exception to the hearsay rule



RULES OF EVIDENCE

- Business Records Exception to the Hearsay Rule
- Establishment of clear and concise organization of documents that would lead a judge to conclude that the documentation in question is authentic as having been created, used and stored in the normal course of business.



RECORDS POLICY & PROCEDURES

PHILOSOPHY

CREATION &
COLLECTION

RETENTION &
STORAGE

RESPONSIBILITY



- Land Trust Culture
- Age and Maturity of Organization
- Size (all volunteer/staff) & Budget
- Financial Complexity
- Portfolio of Conserved Land

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- What are your essential records?
- How much information is enough? Too much?
- What needs to be signed and by whom?
- What records are critical to resolving ambiguity?
- What records are critical to understanding intent?

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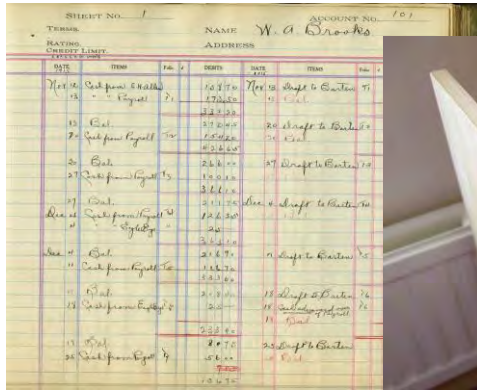
RETENTION &
STORAGE

RESPONSIBILITY



- Paper Records
- Consistent Record Naming
- Digital Records
- Location and Accessibility
- Record Retention
- Sarbanes Oxley 2002

EVOLUTION TO DIGITAL



Signatures Types

Electronic Signature

Biometric Signature

- X and Y values
- Acceleration
- Pressure
- Speed
- Delta Pressure

Digital Signature

Advanced Biometric Signature using Digital Signature

A diagram comparing four signature types: Electronic Signature (handwritten signature on a document icon), Biometric Signature (handwritten signature with a list of metrics: X and Y values, Acceleration, Pressure, Speed, Delta Pressure), Digital Signature (document icon with a red circular seal), and Advanced Biometric Signature using Digital Signature (document icon with a handwritten signature and a red circular seal).

Handwritten through entire life cycle of document



Produced on computer, printed to paper for execution and storage



Produced on computer, printed to hard copy for execution, scanned back to digital for storage



Entire life cycle of document, including execution, is digital

RECORDS MANAGEMENT TECHNOLOGY



Google Drive



Dropbox



CARBONITE 

RECORD RETENTION

Program		Off-site storage	Paper (secure)	Original in Fireproof Safe	Original in Fireproof Cabinet	Electronic	Paper (unsecure)	Retention Period
Admin	Expired insurance policies						X	3 years
Admin	Employment applications		X					3 years
Admin	Employment personnel records (after termination)		X					3 years
Admin	Internal reports (survey results, program reports, organizational studies)	X				X	X	3 years
Admin	Invoices (utilities, rent, office equipment, professional services, etc.)	X				X	X	5 years
Admin	Accident reports and claims for settled cases		X					7 years
Admin	Payroll and related records						X	7 years
Admin	Employee W-4 forms		X					7 years
Admin	Contracts and leases	X				X	X	7 years after termination
Admin	Current Insurance policies			X		X		Permanent
Admin	Bills of sale and personal property and vehicle titles			X				Permanent
Admin	Digital back-ups of computer records	X				X		Permanent
Admin	General correspondence of historical significance	X		X		X	X	Permanent
Admin	Board meeting materials and minute books	X				X	X	Permanent
Admin	Articles of Incorporation & by-laws	X		X		X	X	Permanent
Finance	Bank statements						X	5 years
Finance	QB reconciliations						X	5 years
Finance	Deposit slips						X	5 years
Finance	Pledges (fulfilled)						X	5 years
Finance	Biannual financial reports to the Board	X				X		5 years
Finance	Operating budgets	X				X	X	5 years
Finance	Accounts payable and receivable ledgers - Quickbooks	X				X		7 years
Finance	Pledges (outstanding notes receivable)						X	7 years
Finance	Check stubs from major project or operating donations						X	7 years
Finance	Brokerage statements & transaction reports						X	10 years
Finance	Accountant audit reports & 990 tax return	X		X		X		Permanent
Finance	Chart of accounts - Quickbooks	X				X		Permanent
Finance	Finance & Investment Policy and Procedures	X				X	X	Permanent
Fund	Donor remittance slips (except those accompanying large donations)						X	Current year
Fund	Tickets, receipts, etc pmts received in connection with fundrsng events						X	3 years
Fund	Samples of advertising copy of events	X				X	X	10 years
Fund	Samples of fundraising solicitations					X		10 years
Fund	Database of donor contributions	X				X		Permanent
Fund	Acknowledgements for donations larger than \$5,000	X				X		Permanent
Land	Non-critical correspondence	X				X	X	Until project closing
Land	Invoices (fee and conservation easement management)	X				X	X	5 years
Land	Expired option records	X				X	X	7 years
Land	Corporate resolutions	X		X		X	X	Permanent

2002 SARBANES OXLEY ACT

Prohibits destruction of any document once you have been given notice of or suspect that a particular case/transaction will be litigated.



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RESPONSIBILITY



- Clear assignments of responsibility
- Designated staff/volunteers
- Create templates & procedures

ADDITIONAL RESOURCES

- Land Trust Alliance Learning Center
- Standards and Practices Curriculum Guides
 - *Nonprofit Law and Recordkeeping, Volume II*
 - *Acquiring Land and Conservation Easements*
 - *Managing Conservation Easements in Perpetuity*
- www.landtrustalliance.org/land-trusts/webinar
- IRS Publication 4221-PC

What about
all of those
boxes in my
closet?

