

## STANDARD 2

# Compliance with Laws

Land trusts fulfill their legal requirements as nonprofit tax-exempt organizations and comply with all laws.

### PRACTICES

#### A. Compliance with Laws

- 1. Do not knowingly conduct operations in violation of law

#### B. Nonprofit Incorporation and Bylaws

- ▲ 1. Incorporate or organize according to the requirements of state law and maintain legal status
- ▲ 2. Operate in accordance with established bylaws
- 3. Review the bylaws at least once every five years to ensure consistency with current operations, the articles of incorporation and state law

#### C. Federal Tax Exemption

- 1. Maintain status as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code (IRC)
  - ▲ a. File a complete and accurate annual information return (Form 990 or equivalent) with the Internal Revenue Service (IRS)
  - ▲ b. Do not knowingly engage in prohibited activities, such as private inurement or impermissible private benefit
  - c. Comply with federal lobbying limitations and reporting requirements
  - d. Do not engage in political campaigns on behalf of or in opposition to any candidate for public office