

STANDARD 4

Conflicts of Interest

Land trusts have policies and procedures to avoid or manage real or perceived conflicts of interest.

PRACTICES

A. Dealing with Conflicts of Interest

- 1. Adopt a written conflict of interest policy that addresses, for all insiders, how conflicts are identified and avoided or managed
- 2. Document the disclosure and management of actual and potential conflicts
- 3. When engaging in any transaction with an insider,
 - a. Follow the conflict of interest policy
 - b. Contemporaneously document that there is no private inurement

B. Payments to Board Members

- 1. Do not financially compensate board members for board service, except for reimbursement of expenses
- 2. If, in limited circumstances, the land trust compensates a board member for professional services that would otherwise be contracted out,
 - a. Document the circumstances surrounding the decision to do so
 - b. Document how the land trust uses appropriate comparability data to determine the amount to be paid and to confirm that there is no private inurement
 - c. Do not compensate the board's presiding officer or treasurer for professional services
- 3. Do not provide loans to directors, officers or trustees

C. Land and Conservation Easement Transactions with Insiders

- 1. When engaging in land and conservation easement transactions with insiders,
 - a. Follow all transaction policies and procedures
 - b. For purchases from and sales of property to insiders, obtain an independent appraisal by a qualified appraiser to justify the purchase or sales price