

AVALONIA LAND CONSERVANCY, INC

Records Policy

1. INTRODUCTION

Avalonia Land Conservancy, Inc (“Avalonia”) recognizes that maintenance of consistent, complete, secure, and authentic records is essential to its conservation mission and to maintenance of its tax-exempt status. This policy is drafted in accordance with the applicable federal, state and local laws and regulations governing land conservation and tax-exempt organizations, and is consistent with the guidelines of the Land Trust Alliance’s Standards and Practices, in particular with practices 2D and 9G. This Records Policy is consistent with other Avalonia policies, including but not limited to Acquisition and Stewardship policies. It is the responsibility of the **Board** to ensure this policy is implemented and followed. *(Do we want to delegate this policing responsibility?)*

2. CONFIDENTIALITY

Many records maintained by Avalonia, including acquisition records, fundraising and donor substantiation records, contracts with consultants and financial records, are confidential and sensitive in nature. All Avalonia records are the property of the organization and not of individual board members, consultants, volunteers or other affiliates, and all Avalonia records are covered under Avalonia’s **Confidentiality** policy. *(Policy not yet in place)*

3. ACQUISITION RECORDS

Avalonia creates and retains paper files for each conservation project under consideration by the Acquisitions Committee. Files for projects that are ultimately not selected by the Acquisitions Committee for recommendation to the board of directors may include any of the following, depending upon the point at which the project was abandoned: project analysis, correspondence, maps, deeds and other land records, photos, assessments, due diligence documents, cost and financial analyses, contracts and documentation of the determination not to go forward with the project.

Acquisition records also may include landowner communications and documentation, depending upon the point at which the project was abandoned, including: written recommendation to obtain independent legal advice, notification that a project must meet certain federal regulations to qualify for a tax deduction, notification about regulations governing qualified appraisal of property, Form 8283, and property baselines.

Formal project files are initiated when the Acquisitions Committee determines to recommend a conservation project to the Avalonia board of directors. Formal project files contain all of the documentation listed in the above paragraphs, and are organized in accordance with the procedures outlined in section 4 below. Avalonia documents all steps in the development of conservation projects as they progress according to Avalonia policies and procedures.

4. PROPERTY HOLDINGS RECORDS

Each completed project will have (i) an archive file, (ii) an office file, (iii) a stewardship file, and (iv) a digital file.

Archive File

The archive file holds originals of all irreplaceable documents essential to the defense of each transaction (such as legal agreements, critical correspondence and appraisals). The location of the archived files shall be protected from daily use and secure from fire, floods and other damage. *(We should be transferring anything “irreplaceable” from what we currently term the Presidents’ file to the safe deposit box and converting the Presidents’ file to meet the criteria of an office file, as described below)*

Office File *(This serves the function of what we currently call the Presidents’ file)*

The office file contains a duplicate copy of the material in the archive, as well as other project related documents. Each office file contains two copies of the deed(s) or conservation easement document(s), a property summary, original completed monitoring forms and photos, a copy of a survey map, a copy of baseline report or management plan, correspondence of enduring value, and any other important information. The office file does not leave the Avalonia office.

Stewardship File

The stewardship file contains duplicate copies of the materials in the office file for everyday reference and site monitoring. It contains no original documents. Paper copies of monitoring reports are also kept in this file.

Digital File

The digital files are stored pursuant to a file/path system as follows: All property files are in folders entitled “My Documents” → “Stewardship” → “Property name.” Each property has its own subfolder.

Each property file has a [digital copy of the deed\(s\) or conservation easement document](#), a property summary, a digital copy of all completed monitoring forms and any accompanying documentation, a digital copy of a survey map when available (if property does not have a survey map, a digital copy will be placed in the file when the survey is complete), a digital copy of baseline report or management plan (if property does not have a baseline report or management plan, a digital copy will be placed in the file when the report is complete), digital copies of correspondence of enduring value, and digital copies of any other important information. *Not yet in place*

Avalonia properties database

The Avalonia Access database includes a table documenting information about each property that Avalonia protects. This information includes, but is not limited to, the name of the property, the location, volume and page in the records of the town in which the property is located, map, block and lot numbers in the corresponding town's Assessor's files/map, number of acres, donor, current owner, contact information of the owner, reserved rights, prohibited uses, purchase price, date of last monitoring, whether or not KLT has an A-2 survey map, baseline documentation report or management plan and any other important information.

Documentation of Annual Monitoring

Avalonia monitors each property at least on an annual basis. Monitoring is scheduled and overseen by the Stewardship committee. The monitor(s) fills out a monitoring form during each visit to the property. Hard copies of monitoring forms are kept in the stewardship file. A digital version of the monitoring forms is available on the Avalonia website

Newly protected property. When Avalonia acquires a new property in fee or under conservation easement, an archive file, office file, monitoring binder, and digital file are created and include the information described above and the property is added to the Avalonia Access database spreadsheet. Files created during acquisition negotiations may be converted to property files.

Archive Audits: Avalonia completes an audit of the property archive files at least **every five years** to ensure records are complete, in order, and in the right location, and to be sure that documentary evidence, including photographic records and original documentation is not deteriorating beyond the point of usefulness.

Office and Stewardship Audits: Avalonia completes an audit of the property office files **annually** to ensure that conservation project documentation is complete, in order, and in the right location, and to ensure that documentary evidence, including photographic records and original documentation, is not deteriorating beyond the point of usefulness.

Who is responsible for ensuring audits are performed? Is this frequency reasonable/appropriate?

5. OFF-SITE RECORDS STORAGE

Avalonia stores original conservation project documents (property archive files) and original business documents as well as other irreplaceable documents at an off-site location that is protected from loss from fire and water damage or theft. Removal of documents from the off-site facility will be allowed only under special circumstances and a written record specifically listing any documents removed, date of removal, person with custody of the documents, and purpose of

removal, shall be placed in the off-site facility in the place of any documents removed until such time as those documents can be returned.

Original business and property archive documents in off-site storage include: *List subject to review and revision. Which of these do we have/want to store in a safe deposit box?*

- Articles of Incorporation
- IRS and state designation
- Conservation Easements, Easement Amendments
- Baseline Documentation Reports
- Property Appraisals and Signed IRS Form 8283
- Surveys
- Annual monitoring reports
- Critical correspondence
- Option Agreements, Leases, and other original documents related to interests in real property
- Gift Deeds, Warranty Deeds, Transfer Agreements, Right of Way Easements
- Title opinions and title insurance policies
- Promissory Notes, mortgages and other security instruments
- Real property contracts, such as rights of first refusal
- Contracts for large expenditures or long-term activities, including long-term land management activities
- Legal and claims-related correspondence

6. ELECTRONIC-OFFSITE BACKUP

All data files and records on the Avalonia computer drive are automatically backed-up on a continuing basis to a remote server.

7. FINANCIAL RECORDS

Avalonia maintains complete, accurate and credible documentation of its financial management activities. Avalonia follows generally accepted accounting principles to ensure clear and credible financial records. Avalonia's financial records are professionally audited annually.

Financial records maintained by Avalonia include general ledger, chart of accounts, annual tax filings and supporting documentation, annual budget reports and budgets, interim budget reports, budget

amendments, balance sheets, reconciliations and cancelled checks, invoices and receipts of payables, copies of checks deposited, copies of donor restrictions, records of dedicated funds, audits, contractor files and 1099 forms.

8. FUNDRAISING RECORDS

Avalonia complies with charitable solicitation laws, accurately represents its claims and intended use of funds, and uses restricted funds as specified by donors. To that end, it is the policy of Avalonia to maintain accurate and complete records regarding fundraising activities. Fundraising records maintained by Avalonia include: donor data and lists, donor substantiation records such as thank-you letters and receipts, IRS Form 8283, documentation on restricted gifts, appeals letters and solicitation materials, and important donor correspondence.

9. PUBLIC PROGRAMS AND OUTREACH RECORDS

Avalonia maintains records concerning its public programs including public education, volunteers, community events, research, public advocacy, and publicity. Such records are kept so that there is continuity in outreach efforts from year to year, and to provide a historical resource for board members, consultants, contractors, volunteers and the public.

10. CORPORATE RECORDS

Avalonia maintains a copy of its corporate records, including its Certificate of Incorporation, application for tax-exempt status, IRS determination letter and any related correspondence, and Federal 990 tax filings for the past 3 years, within its corporate offices and accessible for public inspection pursuant to and as limited by the Internal Revenue Code.

Avalonia retains copies of corporate records as required pursuant to Federal, state and local law and regulation and government grants or contracts, including but not limited to: corporate organizational records, donor substantiation records and records in connection with donations pursuant to Section 170(h) of the Internal Revenue Code, annual Federal and state corporate filings, state charitable solicitation filings, board meeting notices, agendas and minutes, board resolutions and voted matters, lists of board members and officers (current and past), and board policies and procedures.

11. RECORD RETENTION SCHEDULE

Avalonia retains files as follows:

Indefinitely

- Corporate organizing documents
- IRS 1023 Application for Tax-Exempt status and related correspondence
- IRS Tax-Exempt Determination Letter
- Board Minutes
- Bylaws (past and current)
- Directors' lists (past and current)
- Irreplaceable Land Transaction Documents (easements, deeds, supporting documentation)
- Irreplaceable Stewardship Documents (baselines, management plans, monitoring records)
- Policies, their revisions and amendments
- Audit reports by accountants
- Cancelled checks for major items and taxes
- Capital stock and bond records
- Chart of Accounts
- Financial Statements, year-end
- General and private ledgers
- Tax returns and supporting documentation
- Insurance records
- Major Contracts and leases
- Correspondence: legal and important subjects
- Litigation files
- Bills of Sale and personal property and vehicle titles
- Correspondence and communications regarding major donor intent

For Seven Years

- Accident reports and claims for settled cases
- Accounts payable and receivable ledgers
- Cancelled checks, unimportant items
- Cancelled stock and bond certificates
- Contracts and leases that have expired
- Expired option records
- Notes receivable ledgers
- Payroll and related records
- Internal audit reports
- Terminated and expired non-major contracts and leases

Draft

For Three Years

- Correspondence, except that correspondence between the Land Trust and landowners relevant to recorded conservation easements shall be kept indefinitely.
- Expired Insurance policies
- Internal reports
- Committee Reports and minutes

For One Year

- Bank Reconciliations
- Duplicate Deposit Slips

Destruction of business records after the prescribed holding periods expire shall be completed pursuant to written approval by the Governance Committee. Said records shall be destroyed in a manner designed to ensure confidentiality.