

Glossary of Terms

Accountant: A person who professionally prepares, maintains, analyzes, or inspects financial accounts, especially within the context of a business; a bookkeeper.

Advance medical directive: A general term that refers to various documents that could include a living will, healthcare proxy, or healthcare power of attorney.

Agriculture and Forestal Districts (AFDs): Rural conservation zones, initiated by landowners and authorized by the locality, reserved for the production of agricultural and timber products and the maintenance of open-space land as an important environmental and economic resource. In Virginia, AFDs created under the statewide act must contain a contiguous core of at least 200 acres. Additional parcels within a certain distance of the core of the district may also join.

Annual gift exclusion: The amount that can be given by a donor in any one year to any one recipient without impacting the donor's lifetime gift tax exemption.

Bargain sale: Typically refers to the sale of land or property to a 501(c)(3) charitable organization for a price less than the fair market value of the land or property. The difference between the sale price and the fair market value represents a gift to the charity which may result in tax benefits.

Beneficiary: A person or thing that receives help or an advantage from something; one that benefits from something.

Bequest: The act of giving a specific asset to an individual, charity, or institution through a will or estate plan.

Buy-sell agreement: A contract creating the option for one owner of a business to buy all or part of a business, including the assets of the business, upon retirement, divorce, disability, or death of another business owner. This agreement specifically states who can buy the ownership interest, how the purchase price will be determined and paid, and over what period of time.

Century Forest: A property that has been in the same family for 100 years or more, includes at least 20 contiguous acres of managed forests, is lived on or managed by a descendant of the original owners, and has a documented history of timber harvests or other forest management activities.

Conservation easement: An agreement in the form of a deed between a landowner and a government agency or nonprofit land trust. The purpose of the

agreement is to ensure that conservation values, such as productive farm and forestland, clean water, natural habitat, or scenic views, are protected in perpetuity for the benefit of future generations. The agreement does this primarily by limiting future parcelization and development on the property.

Durable power of attorney: A legal document giving another individual the ability to manage someone else's finances if they are unable to do so. The person is legally obligated to act with the principal's best interests in mind. This could include check writing, credit card use, loan and bill payments, and purchases and sales of assets.

Ecosystem services: Ecological benefits the public derives from woodlands, such as wildlife habitat, clean air and water, and soil protection.

Estate planning: The legal process of distributing an individual's assets, including land, house, bank accounts, and bonds, to their heirs. It is a key component of legacy planning.

Executor: A person appointed to administer the estate of a person who has died leaving a will which nominates that person.

Family mediator: A neutral third party who promotes discussion and negotiation that allows the participants involved in a conflict or dispute the opportunity to exchange divergent views, ask questions, discuss difficult topics, and find solutions.

Federal estate tax: A tax on property (cash, real estate, stock or other assets) transferred to heirs other than a spouse at time of death.

Forester: A degreed professional trained in forest management. May be employed by forest industry, a state agency, or privately.

Fragmentation: Conversion of forest to other uses, such as urban and suburban development, resulting in degradation of ecosystem functions, such as wildlife habitat, timber production, and runoff mitigation.

Goal: A general, big-picture statement of what landowners want their property to be at some point in the future.

Gross estate: Total monetary value of an individual's property and assets at the time of their death.

Heir: A person inheriting and continuing the legacy of a successor.

Heirloom value: Nonmonetary values assigned to family possessions.

Intestate: Dying without a valid will.

Invasive species: Any species, including its seeds, eggs, spores, or other biological material capable of propagating that species, that is not native to that ecosystem and whose introduction does or is likely to cause economic or environmental harm or harm to human health.

Irrevocable trust: The creator of this trust cannot revoke the trust on his or her own. Once the assets have been permanently placed in an irrevocable trust, the assets in this trust no longer count towards that individual's federal taxable estate.

Land ethic: A moral responsibility to the natural world; a respect for people, the land, and their relationship to one another.

Land trust: A private, nonprofit organization that, as all or part of its mission, actively works to conserve land by undertaking or assisting in land or conservation easement acquisition or by its stewardship of such land or easements.

Land use-value assessment: A program authorized in Virginia State Code whereby localities can assess rural land for property taxes based on current use rather than highest and best use or development potential. The result is a reduction in property taxes collected on land kept in rural uses and is the most basic incentive a locality can offer to landowners to keep their property undeveloped.

Last will and testament: A legal declaration of a person's wishes regarding the disposal of his or her property or estate after death.

Lawyer: A person who practices or studies law; an attorney or counselor.

Legacy planning: The ongoing process of including your heirs in the planning for the future of your woodlands. Along with estate planning, it can ensure your woodlands are passed on intact, in forest & farm, and in family.

Life insurance: Insurance that pays out a sum of money either on the death of the insured person or after a set period.

Life insurance trust: A type of irrevocable trust where a life insurance policy is placed in the trust.

Limited development: A method to finance a land purchase that entails a portion of the land being placed in a conservation easement.

Objectives: Specific management actions landowners take to reach their goals. Often associated with a specific timeline.

Parcelization: The division of large tracts of forestland into small tracts with more landowners.

Portability: The amount of the lifetime exemption not used on a deceased spouse that may be transferred to a surviving spouse.

Reflective listening: A communication strategy involving two key steps: seeking to understand a speaker's idea, then offering the idea back to the speaker to confirm the idea has been understood correctly. It attempts to reconstruct what a person is thinking and feeling and to relay this understanding back.

Revocable (living) trust: This trust can be revoked at any time by the person who created the trust (the grantor). Assets can be added or removed from the trust at any time during the life of the grantor.

Survivorship: The legal right of the survivor of persons having joint interests in property to take the interest of the person who has died.

Taxable estate: Total value of a deceased person's assets that is subject to taxation. The net assets subject to taxation equal the person's total assets minus liabilities and minus the prescribed tax-deductible portion of assets left behind by the deceased that cross a minimum threshold, below which no estate tax is levied.

Trust: A trust is a legal entity that acts as a contract between the person who creates and funds the trust (the grantor), and the trustee who is in charge of managing the assets in the trust on behalf of a beneficiary or beneficiaries.