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Subject: Banking for Lib Dems



Welcome to Day 23 of the Training Programme - today's topic is: ***Bank Accounts and Credit Cards.***

This guide will provide some helpful information about banking facilities you may have in place, including: signatories, bank cards, overdrafts and guarantees.

Banking for Lib Dems



Organisations like the Liberal Democrats can't have a bank account or other financial products unless specified in their **Constitution**.

The information below is based on the English and Welsh Local Party Constitutions but Regions, States and Lib Dem Groups should have similar clauses allowing them to have a bank account. (Building Societies can be classed as banks for the purposes of this advice). For Scottish Local Parties, it is strongly recommended you follow this advice. The English Model Local Party Constitution is within the English constitution [here](#).



Two Signatories and Internet Banking

There must be at least two signatories for payments / withdrawals who are current officers of the Local Party.

Internet banking, in order to comply with the two-signature rule, should be a **dual authorisation** type. We know Lloyds Bank offers this for free and we're aware Barclays may offer this as well. The Party has also negotiated with **Unity Trust Bank**, an account that meets this requirement with a reduced monthly bank charge. Click [here](#) for more details.

Debit Cards

Some banks offer debit cards with bank accounts – the advice is **do not** get one as there's no dual authorisation. The recommended way to make online purchases is to agree the spending beforehand with the Executive or officers, use your personal card to pay and then make an expense claim to the Local Party / branch. This way the reimbursement is for something that was previously agreed and the expense claim was paid and signed for by two officers.



Overdrafts and Credit Cards

Overdrafts and credit cards are known in Electoral Commission language as '**Credit Facilities**' and you need to record them on Lighthouse so we can inform the Commission about them. Please contact compliance@libdems.org.uk if you have one of these that isn't already on Lighthouse. You also need to advise us of any changes in the credit limit and interest rates as these may also need to be reported to the Commission.

The guidance regarding loans is: just because you can, doesn't mean you should have a credit card or overdraft. Local Parties etc. are unincorporated member associations and as such don't have a separate identity from their members, so banks can't get their money back easily if there is an unpaid debt. They will normally ask for guarantors who they can force to pay the debts of the Local Party.



Securities and Guarantees

As mentioned above, with bank loans, credit cards and overdrafts the bank usually requires someone to offer security or a guarantee for borrowing and repaying any debts.

If anyone does this they may also need to be reported to the Electoral Commission and therefore need recording in Lighthouse. If you know of any people that are not on Lighthouse who are **guarantors**, please email compliance@libdems.org.uk



Lighthouse

If you have an overdraft, credit card or guarantors when borrowing money, you will need to record them on Lighthouse in the **Loans** section. It is also a legal requirement to check they are from **permissible sources** (similar to permissible donor rules) when the credit limit or loan is **£500 or more**.

To keep on top of all your local party and branch bank accounts, Lighthouse has a section for logging them, along with their signatories. This is very useful as it is quite common to lose control of bank accounts and forget who the signees are.

If you can't access the Banking section on Lighthouse, contact your local party superuser(s) or email: support@libdems.org.uk

As always, please don't hesitate to email The Compliance Team at with any questions at: compliance@libdems.org.uk

Best wishes,



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