From: compliance@libdems.org.uk

Date: Sun 26 Feb 2023

Subject: Your February PPERA Return



As March is nearly upon us, this month's donation report will soon be due. Please read on for some helpful information and answers to commonly asked questions.

Your February PPERA Return



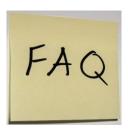
A friendly reminder that the February donation report is due **1st - 10th March**. Here's the step-by-step <u>guide</u> on how to complete this, should you need it.

You only have **30 days for permissibility checks on donations of £500 and over** so it's good practice to record donations on to Lighthouse as you receive them. Waiting until month-end to do this could mean a late declaration / forfeiting the amount to the Electoral Commission.

If you have any donation queries, or think you'll miss the deadline, please email: compliance@libdems.org.uk urgently.

For **Lighthouse issues**, please consult:

- The <u>user manual</u>
- Your local Lighthouse **superuser**
- <u>support@libdems.org.uk</u> (the team who maintain Lighthouse and provide user support)
- Your Chairperson since they are jointly responsible for Compliance, they should have the necessary Lighthouse user access in order to submit returns where the Treasurer is unable to



Frequently Asked Questions

Q) What are the donation reporting thresholds?

It is <u>mandatory</u> for treasurers to declare any donations or gifts valued at **£500** and above and check they are from **permissible donors**.

It is <u>recommended</u> (for internal and audit purposes) that you record items valued **over £100** on Lighthouse. It is not compulsory to include them in the monthly report, so a nil return may be submitted (provided there are no donations of £500 or more). You do not need to check whether such a donation has come from a permissible source.



Q) PPERA only covers donations above £500, so why do we have to include items that are £500 as well?

Whilst the law states "over £500," the Compliance Team specifies **£500 and over**. This is because the Lib Dems need to demonstrate to the Electoral Commission that we're checking donors are not deliberately engineering payments of £500 to get around the law and evade permissibility checks.

Do also note that the Electoral Commission's advice is not necessarily given with individual treasurers in mind. The Compliance Team is your first point of contact, so do let us know if you have any questions.



Q) We've received a <u>legacy</u> donation from a supporter who has passed away - how do I record this?

Please see our guidance on endowments from deceased benefactors <u>here</u>.

Permissible donor checks are required for bequests of £500 and over -

this can be time-consuming and must be completed within 30 days of receipt otherwise it could be forfeited to the Electoral Commission. Please contact compliance@libdems.org.uk urgently with the following:

- Name of deceased
- Date of death
- Any addresses resided at in the last five years
- Electoral Roll number (if still showing on Connect)
- Amount bequeathed
- Date received

Q) How do I let you know when a donor's contributions exceed £1500 over a year?

<u>Treasurers should treat donations as separate items and not combine them.</u> The only exception is if they are from the same donor on the same day, then it should be reported as if it was a single donation to the local party. Treasurers are required only to record donations as received, no need to keep track of a cumulative/running total for the year.

Aggregation is something we deal with at our end so treasurers are to report as above and leave the rest to us. The Electoral Commission requires HQ (the Compliance Team) to be responsible for aggregation and have processes in place to track reported donations across all the accounting units of the Liberal Democrats (local/regional/state/federal parties and organisations).



Q) We have a potential generous donor who wishes to remain anonymous. What can we do?

It is not possible to keep a donation / donor's identity secret, as they must be recorded for compliance and legal reasons.

This should be explained to the prospective benefactor and if they insist on anonymity (i.e. their donation details not be reported to the Electoral Commission), then you would have to return / reject the donation(s).

Conspiracy to disguise a donation is a criminal offence - this includes discussing with the donor ways to make donations below the mandatory threshold so they are not declared.

Regardless of the amount (and especially when it's a significant contribution), it's safer not to accept the donation(s) where the patron does not wish for their identity to be revealed.

Q) Which <u>tick boxes</u> should I select when declaring my monthly return?

- For **nil returns** Box 1 needs to be ticked (or all three)
- For **reporting donations** *Box 2* should be chosen (or you can tick Boxes 2 and 3)
- For **reporting loans** Box 3 must be marked as a minimum

☐ I certify that this Accounting Unit did not receive any recordable or declarable donations or credit facilities during the month of this PPERA record (stated above) [NIL RETURNS]
☐ I certify that this is a true and accurate record of all transactions covered by PPERA for my Accounting Unit for the above period [REPORTED DONATIONS]
☐ I certify that this is a true and accurate record of any changes to regulated credit facilities during the above period [LOANS etc]

Q) Why is the <u>status</u> of my donation report showing as "submitted" but not "approved"?

The *approved* status is something we sometimes use internally - so long as it's showing as either *submitted* or *approved*, then it's fine as we treat them as the same thing, so nothing to worry about. Once a return has been sent through to us, your job is done.

Q) I'm a Treasurer and will be <u>away</u> so I'll miss the next deadline. Can I just complete the monthly declaration upon my return?

No - as the Chairperson (Convenor in Scotland) is legally responsible for Compliance, they should be submitting PPERA reports in the Treasurer's absence.

As always, if you have any questions, please email: compliance@libdems.org.uk

Best wishes,



Nazmin Khan (she/her)

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