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Subject: Compliance Training Day 7 - Banking

COMPLIANCE AND DATA PROTECTION

Liberal
Democrats

Hello, the topic for Day 7 of the Compliance Training Programme 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](#).

Branches of Local Parties in England

Please note that in England only, there has been a change in the *Model Local Party Constitution* turning all branch bank accounts into Local Party bank accounts, controlled by the Local Party Treasurer, not the branch. Branches in England therefore no longer have a treasurer. This rule does not apply to Scotland or Wales.



Two Signatories and Internet Banking

There must be at least two signatories for payments / withdrawals who are current officers of your accounting unit.

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 further details.

Debit Cards

Some banks offer debit cards with bank accounts, however 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.



Credit Cards and Overdrafts

Credit cards and overdrafts 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 and Groups 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 usually ask for guarantors who they can force to pay the debts of the accounting unit.



Securities & 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 declared 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 don't have the Banking section on Lighthouse:

- contact your local superuser(s) who can grant you access
- raise a problem report within Lighthouse
- email: support@libdems.org.uk

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

Best wishes,



Lloyd Harris
Compliance Projects Officer
Liberal Democrats

You are receiving this email as you are listed as an Officer of an accounting unit for the Liberal Democrats.

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