

From: compliance@libdems.org.uk

Date: Sun, 11 Feb 2024

Subject: Compliance Training Day 11 - Fundraising: Treasurer's Guide

COMPLIANCE
AND DATA
PROTECTION

Liberal
Democrats

Dear Colleagues,

Day 11 of the Treasurer's Training Programme puts the spotlight on ***Fundraising***.

Fundraising - a Treasurer's Guide



Local Party Income

For the majority of Local Parties, income comes from several sources:

- **Service fees** from your State Party (sent via HQ) - this is your share of the membership fees paid by members in your area (3% less 2% contribution to cover 'free' software like Connect and Lighthouse).
- **Bonuses** for recruiting/renewing new members. Paid with your service fees above.

- **One-off donations**
- Regular donations (**standing orders**)
- **Bequests** (please contact compliance@libdems.org.uk as soon as you hear about receiving money from a will as we need to help ensure you can keep the money and not forfeit it to the Electoral Commission).
- **Events**
- **Fundraising**

For **100 Clubs** - [here's a separate guide](#).



How to Report Fundraising on Lighthouse

Not everything from fundraising and events needs to be reported. The rules on what to declare are as follows:

Donated gifts, for example auction or raffle prizes:

Value the gift at the price it would cost you if you bought it in a shop or its commercial worth. For example, two nights in a Welsh cottage would be valued at the rate that cottage is let out to

holidaymakers, or if it isn't let out, the price a holidaymaker would have to pay for a similar cottage in the area.

Total up the value of gifts per person and if they are over £100, report them on Lighthouse as a **gift in kind** from that person. Please don't record a separate donation per gift - it is per gift-giving person that you report.

Auction bids:

The donation value of a winning auction bid is the amount they offer minus the value of the prize. So if someone paid £500 for two nights stay in a cottage and the cottage is normally let out for £300, then the amount you report is a donation of £200 (500 less 300). Please make a note in the 'reason field' of your calculation.



Dinners:

If the dinner is provided for free or at a discounted rate, then report the value of the donated dinner / discount as a **gift in kind** on Lighthouse. For discounts please record the % it was reduced by as a donation if it was more than 10% off the bill.

Dinner tickets:

The donation element is the price paid minus the cost of the dinner. Unless someone purchases one or more tickets where the donation element is over £100 then you won't have to record on Lighthouse.

Donations from appeals during events:

If someone makes a donation of over £100 at an event, please report it on Lighthouse. If it is over £500 please check they are a permissible donor - if not then you will have to return the money to them within 30 days or forfeit the amount to the Electoral Commission.



Appeals:

Appeals work best if you are asking for something other than a general 'give me money'. It could be for a fighting fund or to pay for something specific. On Lighthouse, report any money received from a donor that is over £100.

In all cases, the normal rules of donations are applicable - if a donation or gift is over £100 we request you report on Lighthouse for internal reasons. If it's £500 or above then it is mandatory to report on Lighthouse and check it's from a ***permissible donor***.



How to Report Your Accounts

The golden rule of reporting fundraising in the accounts is to make sure you report the total income and total expenditure separately and don't report the net proceeds.

Auction - report as “fundraising income” with the total amount received from winning bids. For donated prizes, report their value as both “fundraising expenditure” and as a donation (gift in kind) in income. Paid-for-prizes are to have their cost reported as “fundraising expenses.”

Dinner - record ticket sales and any extra money raised on the night as “fundraising income.” The cost of the dinner should be reported as “fundraising expenditure.” If the cost of the dinner was a gift then as with the auction report, this is both a donation (gift in kind) and “fundraising expense.”

Appeals - although appeals are a type of fundraising, record these in the accounts as “donation income” not as “fundraising income.” For the cost of running the appeal, report as “office and admin costs.”

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

Best wishes,



Lloyd Harris
Compliance Projects Officer
Liberal Democrats

You can view all the emails from the February Compliance Challenge so far by clicking here:

[View previous emails](#) →

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Published and promoted by Mike Dixon on behalf of the [Liberal Democrats](#), 1 Vincent Square, London, SW1P 2PN.