

# Dealing with Branches

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## Branch of Region / State



These are Local Parties that have been suspended, typically due to not having a Chair and/or Treasurer.

Since they are registered with the Electoral Commission as '*accounting units*' of the Party, someone has to look after them; therefore it falls upon the Region in England or the State in Scotland and Wales.

The Regional / State Party gains control of the bank account and takes on the responsibility for compliance and producing year-end Accounts.

## Branches of Local Parties

In many locations, branches are being abolished, primarily to improve compliance reporting and to eliminate extra committee meetings.

Some have set-up **Campaign Teams** who coordinate activity in an area; these teams can be more proactive and agile and act under the authority granted to them by the Local Party Executive.



The Teams don't need AGMs, elected officers or Annual Accounts as they are about getting things done, not administration of an organisation.

# Rights for Local Branches to Exist - Part 1

Branches can only exist if the Local Party has adopted the branches section within their Constitution (Section 8 in England, Scotland and Wales Model Local Party Constitutions).



In England and Wales, this section is optional, i.e. if not adopted then no branches may exist. In Wales, it is optional to allow the branches to have a bank account and Treasurer. In England the branch treasurer has been removed in the 2023 model constitution.

## Rights for Local Branches to Exist - Part 2

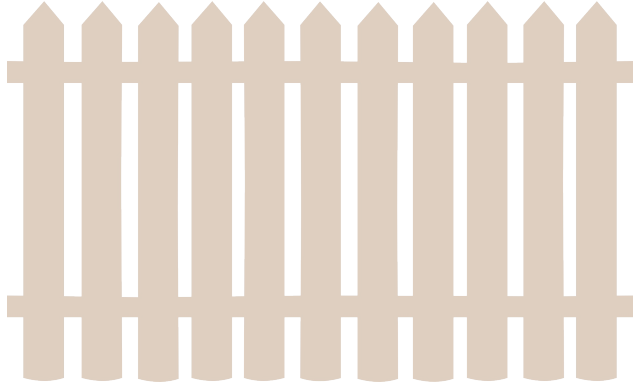
Branches are always subject to the authority of the Local Party; this is because under laws governing political parties, they technically don't have a separate identity to that of the Local Party for compliance purposes.

The Local Party Chair and Treasurer are responsible for compliance of the branches - the job might be delegated to branch officers, however the Local Party Officers remain responsible.

Each branch will need to have an AGM and elect its own officers and send representatives of the branch to Local Party Executive meetings.



## Branches Without Bank Accounts



If the version of branches adopted is the one without them having a bank account, then any branch money is managed within the finances of the Local Party.

The branch still needs to have executive meetings, an AGM and elect officers (but won't have a branch Treasurer).

This is like a Campaign Team except it has administrative duties beyond campaigning and the members of the branch elect the officers instead of the Local Party Executive appointing them.

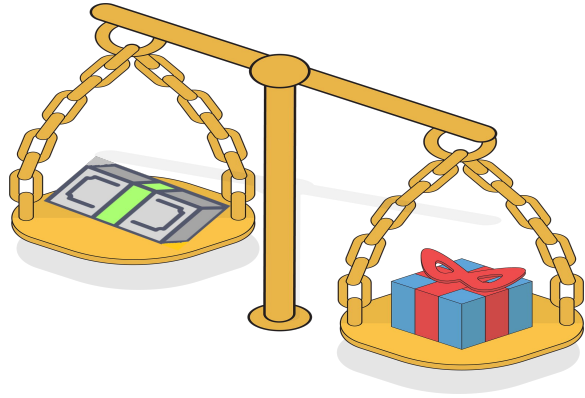
## Branches with Bank Accounts - Responsibilities

As the Local Party Treasurer and Chair are responsible for all finances and compliance, this will include anything that happens in the branch. There should be appropriate policies and safeguards in place to ensure branches report to them and don't do anything that will get them into trouble.



Branches cannot incur debts, so they can't borrow money, have an overdraft / credit card or do anything that will mean the Local Party has to pick up the bill later.

## Branches with Bank Accounts - Donations and Gifts



Donations received by branches should be reported on Lighthouse as if received by the Local Party. The Local Party Treasurer should obtain monthly reports of donations and gifts from the branches. As a former Local Party Treasurer, I recommend asking for details of all branch donations over £100.

If a donor makes a donation or gift on the same day to more than one bank account, including different branches, the Local Party Treasurer should combine them and report the total as if it was a single donation to the Local Party. E.g.: a council group gives £300 to one branch and £350 to another branch on the same day - a single donation of £650 is to be reported for the Local Party.



## Branches with Bank Accounts - Annual Accounts (Part 1)

Branches with bank accounts also need to produce year-end accounts; have them approved by the branch Executive and inspected by an independent inspector.



The accounts and inspector's report are then presented at the branch AGM.

## Branches with Bank Accounts - Annual Accounts (Part 2)

Branch Year-End accounts must be incorporated into the Local Party's Annual Accounts.

Since Local Parties have to send their accounts to HQ by **15th March**, it's recommended that Local Party Treasurers insist branches send their approved Year-End accounts to them by February at the latest.



In the Local Party accounts, you report the following for a branch:

- income
- total expenditure
- assets
- bank
- liabilities
- reserves

Transfers between a Local Party and a branch are reported in the Local Party accounts as **internal transfers**. They are also part of branch income or expenditure in the Local Party accounts figures in the final Annual Accounts.



As always, please don't hesitate to email the Compliance Team at with any questions at:

[compliance@libdems.org.uk](mailto:compliance@libdems.org.uk)