Banking for Treasurers

Unincorporated organisations like the Liberal Democrats cannot 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

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 of local parties in England therefore no longer have treasurers. 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. We recommend that there are at least three or more signatories, from which it is two to sign, that way if one person is unavailable you have another who can sign off a payment.

Internet banking, in order to comply with the two-signature rule, should be of the **dual authorisation** type. We know Lloyds Bank offers this for a fee and we understand Barclays & Bank of Scotland (BoS) may offer this as well, there may be others. The Party has also negotiated with **Unity Trust Bank** to provide an account that meets this requirement, with a reduced monthly bank charge. Click here for further details and how to apply.

Those that do not currently offer dual authorisation internet banking include HSBC, NatWest, Royal Bank of Scotland (RBS) and Santander.

Debit Cards

Not recommended - Bank accounts often come with debit cards, however they often lack the safety of dual signatory protection from theft, fraud and misappropriation of funds.

The recommended way to make online purchases is to agree the spending beforehand with your Executive, 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

Not recommended - The Liberal Democrats and its constituent parties and groups are unincorporated member associations. That means they do not have a separate identity from their members, so banks cannot get their money back easily if there is an unpaid debt.

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.

Securities & Guarantees

For loans, overdrafts and credit cards some banks etc. ask for guarantors who they can force to pay the debts. Guarantors will also need registering with the Electoral Commission if you have a reportable credit facility.

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:

- Ask your local superuser(s) (Lighthouse administrator) to ensure you have access to:
    - *Banking; Contacts; Donations; Trackers; Reports (create)*
    - *Organisation* (edit)
    - *Branches; Membership Rebates (view)*
- Raise a problem report within Lighthouse
- Email: support@libdems.org.uk

If you have any queries, please email: compliance@libdems.org.uk