**From:** compliance@libdems.org.uk **Date:** Sat, 5 Feb 2022 at 09:00

Subject: Day 5 - Banking



Welcome to Day 5 of the 28-Day Challenge!

Today's topic is: Bank Accounts and Credit Cards

This guide will give you some helpful information about banking facilities you may have in place, such as signatories, bank cards, overdrafts and guarantees.

# **Banking for Lib Dems**

Organisations like the Lib Dems can't have a bank account or other financial products unless they are specified in their Constitution.

The information below is based on the English and Welsh Local Party Constitutions but Regions, States, SAOs etc. 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.

Model Local Party Constitutions with English, Scottish & Welsh versions can be found below:

See Model Local Party Constitutions →



# Two Signatories and Internet Banking

There must be at least two signatories for payments / withdrawals that are current officers of the Local Party.

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:

# Explore Unity details →

### **Debit Cards**

Some banks offer debit cards with bank accounts – the advice is not to get one as you can't do dual authorisation. The advised way to do purchases online, is to agree beforehand a purchase with the Executive or Officers, use your own personal card to pay and then make an expense claim to the Local Party / Branch. That way the reimbursement is for something that was previously agreed and the expense claim was paid and signed for by two officers.



#### **Overdrafts and Credit Cards**

Overdrafts and credit cards 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 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. Please email changes to <a href="mailto:compliance@libdems.org.uk">compliance@libdems.org.uk</a>.

The advice as per loans is – just because you can, doesn't mean you should have a credit card or overdraft. Local Parties etc. 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 will normally ask for guarantors who they can force to pay the debts of the Local Party.

### **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 reported 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 <a href="mailto:compliance@libdems.org.uk">compliance@libdems.org.uk</a>.



## Lighthouse

If you have an overdraft, credit card or guarantors when borrowing money, you will need to report them on Lighthouse in the Loans section. It is also a legal requirement to check they are from permissible sources (same as permissible donor rules) when the credit limit or loan is £500 or more.

Lighthouse also has a new banking section for you to record all the bank accounts in your Local Party (+ Branches) and who the signatories are. This is very useful as it is quite common to lose control of bank accounts and forget who the signatories are etc. This will help you keep on top of your many bank accounts.

If you can't access the Banking section on Lighthouse, contact your super-user who can grant you access or email <a href="mailto:membership@libdems.org.uk">membership@libdems.org.uk</a>.

As always, please don't hesitate to email The Compliance Team at with any questions at <a href="mailto:compliance@libdems.org.uk">compliance@libdems.org.uk</a>.

Best Wishes,



PS: our Treasurer Training Day is on Sunday 20th February
Please register here →

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