



# ROLES AND RESPONSIBILITIES

## CLP Treasurers

CLP treasurers play an essential role in helping the Party comply with party finance law. Each CLP has two statutory officers - the Registered Treasurer and the Deputy Registered Treasurer (the CLP chair). The names of the Treasurer and Deputy Treasurer both appear on the Electoral Commission register.

It is the responsibility of the Treasurer to maintain comprehensive accounting records. These records should be good enough to show the financial position of the CLP with reasonable accuracy at any time during the financial year. The Treasurer must also produce and submit an annual statement of accounts and identify, record and report donations and loans to head office in each quarter. CLP Treasurers also work closely with election agents and Labour Group treasurers in order to ensure compliance with election expenses rules.

It is important that CLP Treasurers keep a good general record of the CLP's income and expenditure, as well as details of any assets the CLP may have and their value. This will enable treasurers to have enough information to give a regular overview of the CLPs financial position at EC and general meetings. This enables the CLP to make an informed decision on how they should focus their campaign activity and fundraising, it will also make compiling annual accounts and quarterly reports much more straightforward.

## Branch Treasurers

Although Branch treasurers don't have specific statutory responsibilities, they play an important role in supporting the CLP treasurer. Branch treasurers must ensure that a detailed record of the Branch's income and expenditure is maintained and reported to the CLP Treasurer to help compile an accurate annual statement of accounts, and any donations or loans of more than £500 must be reported to the CLP Treasurer for inclusion in the quarterly reports.

## Auditors

Each CLP must elect two auditors at the AGM. CLP auditors are responsible for reviewing the annual accounts prepared by the treasurer to ensure that they accurately reflect the CLP's financial position and activities for that financial year. This can be done in any reasonable way the auditor sees fit, and would usually involve a close examination of sections of the accounts against original receipts and bank statements to ensure they are correctly recorded.

# ANNUAL ACCOUNTS

## Overview

All CLP Treasurers are required to produce a set of annual accounts for the CLP. The annual accounts give a detailed overview of income and expenditure for the previous year financial year, along with information about any assets and liabilities. In all cases, the CLP financial year runs from 1 January to 31 December – **not** from AGM to AGM.

All CLPs must submit a copy of their annual accounts to the Governance and Legal Unit no later than **31 March** each year. If either income **or** expenditure is greater than £25,000 in a particular financial year, the CLP treasurer is legally responsible for submitting a copy of the accounts directly to the Electoral Commission no later than **30 April**. Contact details for the Governance and Legal Unit and the Electoral Commission are at the end of document.

It is essential that annual accounts submissions are made within these deadlines, especially if your accounts meet the threshold for reporting to the Electoral Commission. This deadline is set out in law, and late submission or failure to submit your accounts to the Electoral Commission will likely lead to an investigation and possible financial penalty which the CLP will be liable to pay.

Your annual accounts must be audited by the CLPs two elected auditors and approved by a meeting of the General Committee or an all-member meeting before submission. If it is not possible to hold a GC or an AMM before the submission deadline, the accounts may be approved by the EC and ratified by the GC or an AMM at the next available opportunity. The accounts **do not** need the approval of the AGM, but should be presented at the AGM.

CLP treasurers have a statutory duty to ensure accounts dating back 6 financial years are preserved, so it is important that you retain copies of your accounts after they are submitted.

You will receive an email reminder of the requirements, as well as attachments containing the templates you should use for submission well in advance of the deadline. The templates provided are given to us by the Electoral Commission and reflect their preferred format for submissions. There will be a Part A (usually in word format) and a Part B (usually in excel format), both Parts must be completed in full before submission.

# HOW TO COMPLETE THE ANNUAL ACCOUNTS TEMPLATES

Part A of the report is a narrative overview of what has taken place in your CLP over the past year. Below are the headings you should expect to come across in Part A, and a brief explanation of what is expected for each heading:

## Review of political activities

- Elected Officials – List your CLP’s elected representatives and give the number of elected Labour Councillors for your local authority area.
- Review of Political Activities – Here you should give a brief overview of your political activity over the past year. This would include details of any local campaigns, preparation for any Elections and the outcomes of those activities.
- Membership – include a brief note on the state of the membership of your CLP. This will likely require you to liaise with the CLP Secretary or Vice Chair Membership. You could include details of how the CLP may have increased or decreased in size over the course of the year, along with any member focused activities undertaken by the CLP.

## Review of Financial Activities

- Income – Has there been a significant change in this figure since the previous year? Provide an explanation for the cause of that change. Have you had any successful fundraising events? If so give an overview of that here. Have you received more/less donations than usual?
- Expenditure – give a brief overview of your expenditure and detail any significant changes to the previous year. Were there any loans repaid? Was there an increase in campaign activity?
- Assets – provide an overview of any assets held by your CLP (including branches) or in which the CLP has an interest. Here you should include the sale or purchase of any premises, computers or any other equipment, furniture etc. You should only include items where the purchase price was greater than £1000 in this section.

Part B of the report is a balance sheet showing receipts, payments and a statement of assets and liabilities for the CLP. This comprises summary information comparing the current financial year with the previous one, and a “notes to the accounts” sheet which allows you to provide more detailed information for each section. The templates can be amended appropriately if some sections do not apply to your CLP.

# DONATIONS AND LOANS

## Overview

The Political Parties, Elections and Referendums Act 2000 (PPERA) provides the statutory framework governing the sources we can accept regulated donations and loans from, and how they must be reported. CLP treasurers play an essential role in ensuring that the Party is in a position to comply with the rules.

Regulated donations are money, goods or services given to the Party without charge or on non-commercial terms, with a value of over £500.

Some examples of donations include:

- A gift of money or other property
- Sponsorship of an event or publication
- Subscription or affiliation payments
- Free or specially discounted use of an office

Regulated loans include:

- Loans of money
- Credit facilities, such as credit cards or overdrafts
- Securities or guarantees – for example a mortgage on a property

Under the Political Parties Elections and Referendums Act (PPERA) anything with a value of £500 or less is **not** a regulated donation or loan. All non-cash donations (such as free print, use of an office or an auction prize) must be valued at a fair commercial rate. If the supplier is a commercial provider, you should use the rates they charge other customers. If this information isn't available, you should find out what similar providers charge for the same goods or services and use this as the commercial value. You should keep a record of how you reached your valuation and keep copies of any quotes you receive. The value you declare must be a fair and honest assessment of the commercial value.

## Fundraising events

Events are a great way of generating income for the CLP, as well as helping members get to know each other and socialise. When organising events, it is really important that you take the time to identify and value all potential donations, so that you can ensure they are from permissible sources and properly reported. Donations might include:

- Free facilities or services such as a local restaurant providing free catering or the use of a venue at special discount. Anything free with a value of more than £500, or a special discount worth more than £500 counts as a donation. For example, if a supporter offers you the use of a venue for a gala dinner that would usually cost £1,500 at a 50% discount. The value of the discount is £750, so this would count as a donation.

- Sponsorship of your event – any sponsorship payments of more than £500 are subject to the party finance rules.
- Mark up on ticket sales – to work this out, compare the price you are charging per ticket with the commercial cost per head of the event. The difference between the two is a donation if the value is more than £500. This is unlikely to apply to most events.
- Cash donations of more than £500 – for example through pledges.
- Auction or raffle prizes worth more than £500 and winning bids. For example, a local artist offers you a painting that has been valued at £2,000. This means that the artist has made a donation of £2,000. At the auction, the winning bidder pays £3,000 for the painting. As the commercial value of the painting is £2,000 a second donation of £1,000 has also been made by the winning bidder.

## Crowdfunding

Donations that made through crowdfunding platforms and subject to the same permissibility and reporting requirements as any other donations. We strongly recommend that CLPs use the Party's proprietary donate pages, which you can set up for by contacting the Party's membership team.

However, if you choose to use commercial crowdfunding platforms, it is essential that you use a service that will allow you to record the name and address of donors so that you can ensure they are permissible and you have all the information you need to report any relevant donations.

In order to make the permissibility requirements clear and to make sure you have all the information you need, crowdfunding websites should have a prominent disclaimer. A model form of words is below:

*By making a donation to XXXX Constituency Labour Party I understand and accept the following: If I am making a donation of more than £500, XXXX Constituency Labour Party will use the personal information I supply in order to discharge its legal responsibilities under the Political Parties, Elections and Referendums Act 2000. If I donate more than £2,230 (including multiple donations of more than £500 that add up to more than £2,230 in the same calendar year), my name and the amount I have donated will be published on the Electoral Commission's register of donations, although my home address will not be made public. The money you use to make a donation must be from your own funds. This donation facility is provided for individuals to make donations to the XXXX Constituency Labour Party. UK companies, limited liability partnerships, trade unions and unincorporated associations may also make donations. Please contact the team on XXXXX for more information.*

In addition to this disclaimer, the website should also bear an imprint in the usual format.

## Checking permissibility of donations and loans

CLP treasurers are responsible for ensuring that all donations and loans of more than £500 are from permissible sources. You are required to check all such donations are permissible within 30 days of receiving them. If your CLP is intends to enter into a regulated loan, you **must** check that the lender is permissible in advance – there is no equivalent 30 day checking period.

A donation is “received” on the date that funds clear into the CLP bank account or an item or service is used in the case of non-cash donations.

The following entities are the most common permissible sources\* of donations and loans:

- Individuals registered on any UK electoral register, including registered overseas electors
- Recognised trades unions
- UK registered companies carrying on business in the UK
- UK registered political parties (The Co-operative Party)
- Unincorporated associations (for example Labour Groups on local authorities or Socialist Societies)

Establishing permissibility in most cases will be straightforward. For example donations from affiliated trades unions, Labour Groups or the Co-operative Party will always be permissible.

You can check individual donors are on a UK electoral register by looking them up on Contact Creator. If they are currently registered, their entry will have an “elector number,” which is usually a combination of letters and numbers. You can check whether a company is permissible by looking it up on the Companies House website, and conducting internet searches to ensure it is actively carrying on business.

In addition to establishing whether a donor or lender is permissible, in all cases you should consider the possible political and reputational implications that could come from accepting any donation, particularly if it will be published on the Electoral Commission’s register, which is scrutinised by our opponents and the media. Does donor align with the Labour Party’s principles, aims and policies?

Under no circumstances should you accept anonymous donations or donations from charities. All donations from anonymous sources must be forfeited to the Electoral Commission and, while they may be a permissible entity under PPERA, charities are prohibited from making political donations under charity law. If you have any doubt about whether a donor is permissible, you should contact the Governance and Legal Unit for advice at your earliest opportunity, in order to ensure the necessary checks can be carried out within the 30 day period.

## Reporting donations

CLP treasurers are required to report all donations and loans of more than £500, along with any changes to the terms of existing loans to the Governance and Legal Unit every quarter.

\*Limited liability partnerships, friendly or building societies and certain types of trusts can also be permissible donors. The rules and checks for these sources can be complex - so if you are offered a donation from a source other than the common examples set out above, please contact the Governance and Legal Unit for advice before accepting it.

The reporting deadlines are set out at the end of this guidance, and remain the same in each financial year. Donations and loans can be reported using the online portal which can be accessed at this link: <https://labour.org.uk/resources/donation-and-loan-reporting-2/>, or by requesting a paper form from the Governance and Legal Unit. **Even if you have no donations or loans to report in a particular quarter, you must still submit a “nil” return.**

The Governance and Legal Unit maintains a central register of all donations and loans received by units of the Party, and report those that exceed statutory thresholds to the Electoral Commission every quarter. All individual donations and/or loans to CLPs of more than £2,230 (including multiple donations of more than £500 given by the same donor in the same calendar year which add up to more than £2,230) will be reported by the Party to the Electoral Commission.

## Reporting donations and loans

For all donations of more than £500 you must report:

- The donor’s name and address
- If the donor is an individual, their elector number or if a company, their registered company number.
- The amount or nature and the value of the donation for non-cash donations
- The date on which the donation was received.
- The date on which the donation was accepted.

For all new loans of more than £500 you must report:

- The lender’s name and address
- If the lender is an individual, their elector number or if a company, their registered company number
- The value of the loan
- The date it was entered into
- The date it is due to be repaid (or a statement that it is indefinite)
- The rate of interest, or, if the rate is variable, how it is to be calculated
- Whether or not any security has been given for the loan

You are also required to report any changes to outstanding loans or loans that have been repaid by the CLP. You should provide sufficient information for the Party to identify the existing loan and give details of the repayment or relevant changes to the terms – for example an extension of repayment period, change in loan value or interest rate.

# IMPERMISSIBLE DONATIONS AND LOANS

If you identify that a donor is impermissible when conducting your checks, you must make arrangements to return the donation within 30 days of receipt. It is essential that you make sure lenders are permissible before entering into any loan agreements, as there is no equivalent 30 day checking period. If you do find that a lender is impermissible (or has become impermissible since the original loan agreement was made) you must take immediate steps to end the loan. The details of how you dealt with any impermissible donations and loans must be reported in the relevant quarterly report. You must report the following details:

- The amount or nature of the donation or loan and the value.
- The manner in which the donation or loan was made.
- The date you received the donation or entered into the loan.
- The date you returned the donation or ended and repaid the loan.
- The action you took to deal with the donation or loan (for example, the person or organisation you returned it to).

If donations are not returned within 30 days the Party is deemed to have accepted an impermissible donation. It must not be returned to the donor after the 30 day period has elapsed. We may be subject to civil enforcement action by the Electoral Commission, which can include forfeiture of the donation as well as additional financial penalties, and a criminal offence may have been committed. If you have accepted an impermissible donation or loan you should seek immediate guidance from the Governance and Legal Unit.

## KEY DATES AND DEADLINES

It is extremely important that you stick to both the statutory deadlines and those communicated to you by the Party. All CLP Treasurers and Chairs will be sent an email reminder well in advance of all relevant deadlines. We rely on receiving your information on time, so that the quarterly and annual reports for the National Party can also be completed accurately and submitted in line with the statutory timescales.

The deadlines for submitting quarterly donation and loan reports will generally fall at the earliest on the 10th of the month in which the Party is required to submit quarterly reports to the Electoral Commission, although this may be subject to change. Any change in date will always be later than the 10th of the month, and will be communicated to Treasurers and Chairs in the quarterly email from the Governance and Legal Unit:

Quarter 1 – **10 April**

Quarter 2 – **10 July**

Quarter 3 – **10 October**

Quarter 4 – **10 January**

Annual Accounts submissions to the National Party – **31 March**

Annual Accounts submissions to the Electoral Commission – if your CLP's income or expenditure is over £25,000 – **30 April**

The deadlines for annual accounts remain the same each year.

## CONTACT INFORMATION

If you have any queries about your duties as a registered treasurer or the permissibility and reporting requirements, you can get in touch with the Governance and Legal Unit by emailing **[donations@labour.org.uk](mailto:donations@labour.org.uk)**.

For assistance with setting up CLP donate pages, please contact the Membership team at **[labourmembership@labour.org.uk](mailto:labourmembership@labour.org.uk)**.

