

DONATIONS PROCEDURE FOR THE LIBERAL DEMOCRATS

In recent years the funding of political parties has been the subject of extensive debate. Strict statutory requirements are now in place. These have transformed the whole administration of finances and fund raising for all political parties. However, despite the new regulation and transparency, there remain issues that give rise to concern. In order to meet these concerns the Liberal Democrats have adopted the following additional fund raising procedures:

1. All donations must be paid strictly in accordance with the PPERA legislation, either individually by a UK resident on the electoral register or through a UK company in business in the UK.

2. In approving donations the following criteria will be applied in addition to the requirements of the PPERA legislation:

- No donations should be accepted if there are explicit or implicit conditions attached to them.
- Our aim is to obtain donations from as broad a spectrum of supporters as possible. Careful consideration should be given therefore as to whether to accept donations if they form a disproportionate part of the total funds received in any one campaign or year.
- No donation should be accepted if there is a material risk that the source of the funds could be embarrassing to the Party either ethically, or because they are associated with action contrary to the policies of the Party or because of inappropriate associations.
- Where an individual is not active or known in the Party, donations should not be accepted without full due diligence.
- Where a business is the source of a donation, at least two years audited accounts and satisfaction that they are currently trading should be obtained before the donation is accepted.

3. Steps to approve donations:

- Any donations over £7,500 must be recorded by the Compliance Officer and approved by the Chief Executive, the Registered Party Treasurer, and the Party Treasurer.
- Any donation over £25,000 must be recorded by the Compliance Officer and approved by the Chief Executive, the Party Treasurer, the Party Registered Treasurer and the Chair of Liberal Democrats Limited (formerly the Party Trustees).