

# Financial scheme

[Insert party name]

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## Introduction

1.1 This scheme sets out how [party name] ('the party') will organise its financial affairs to comply with the Political Parties, Elections and Referendums Act 2000 ('the Act').

## Constitution

1.2 A copy of [party name]'s constitution, setting out our structure and organisation, and how we take decisions about the management of the party, is attached to this scheme or has been provided separately to the Electoral Commission.

## Accounting units

1.3 The [party name] does not wish to register any separate accounting units with the Commission.<sup>1</sup>

## Organisations within the party

1.4 For the purpose of compliance with the Act, the financial affairs of any local branches or affiliated organisations of the party, whether currently existing or to be established in future, will be wholly controlled by the party treasurer.

## Financial year

1.5 The party's financial year will run from 1 January to 31 December.

## Role of the party treasurer

1.6 [Name of registered treasurer], the registered treasurer of [party name] is responsible for the whole party's compliance with the requirements of the Act, including the following:

## Annual accounts

1.7 The [party name] will submit our annual statement of accounts to the Commission by the required date, being 30 April of the year following the end of the financial year if both our expenditure and income are under £250,000 in that year, or 7 July of the year following the end of our financial year if either our expenditure or income exceeds £250,000 in that year. We understand that

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<sup>1</sup> Please refer to sections 2.13 and 2.14 in our brief guide *Registering a political party*.

if our income or expenditure exceeds £250,000 our accounts must be submitted with an auditor's certificate.

1.8 In order to comply with this requirement, [name of registered treasurer] has:

- put in place arrangements for ensuring that annual statements of accounts for the party are prepared, approved, audited where necessary and submitted to the Commission by the prescribed deadline for each register the party is on
- put in place accounting processes capable of meeting the Act's accounting record keeping requirements and of any regulations made by the Commission about the format of statements of accounts

## Donations and Loans (regulated transactions)

1.9 [Party name] will report the donations and loans it receives each quarter to the Commission, for each of the registers it is registered on, within the following timescales:

- quarter 1 (1 January – 31 March) by 30 April of that year
- quarter 2 (1 April – 30 June) by 30 July of that year
- quarter 3 (1 July – 30 September) by 30 October of that year
- quarter 4 (1 October – 31 December) by 30 January of the following year

1.10 In order to comply with this requirement, [name of registered treasurer] will:

### **For donations:**

- record information for all donations of more than £500, including:
  - amount or value of the donation
  - full name of donor
  - registered address of donor
  - company registration number (if applicable)
  - date on which the donation was received
  - date on which the donation was accepted or returned
  - information about the trust (if applicable)<sup>2</sup>
- check the permissibility of any donations over £500 within 30 days of receipt<sup>3</sup>
- ensure that impermissible or unidentifiable donations of more than £500 to the party are recorded as outlined above and returned to the sender or financial institution that transferred the money or, if that is not possible, surrendered to the Commission
- ensure that a submission of quarterly donation reports covering donations exceeding £7,500 (including aggregates of donations and regulated transactions) and any impermissible or anonymous donations of more

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<sup>2</sup> More details can be found in our guidance documents by visiting our parties pages at: <http://www.electoralcommission.org.uk/guidance/those-we-regulate/register-a-new-party>

<sup>3</sup> See above.

- than £500 is made to the Commission within the above timescales; submitting a nil return if there are no reportable donations<sup>4</sup>
- provide weekly donation reports to the Commission during UK Parliamentary election campaigns if we are contesting the election

1.11 We understand that if we submit four consecutive quarterly nil donation returns, we will then be exempt from submitting further quarterly returns in respect of donations until we receive a reportable donation.

1.12 We also understand that separate quarterly donation returns must be submitted if we appear on the Northern Ireland register of political parties.

**For loans (regulated transactions):**

- record information about all regulated transactions (loans, credit facilities, etc.) of more than £500, including:
  - value of benefit of the transaction
  - name of all authorised participants
  - registered addresses of participants
  - company registration number (if applicable)
  - nature of the transaction
  - date agreement entered
  - the terms of the transaction
- ensure that the party does not enter into any regulated transactions over £500 with unauthorised participants
- ensure that a submission of quarterly transaction reports covering transactions exceeding £7,500 (including aggregates of donations and regulated transactions) and any void transactions or transactions of more than £500 entered into with an unauthorised participant is made to the Commission within the prescribed timescales; submit a nil return if there are no reportable transactions
- ensure weekly regulated transaction reports can be submitted during UK Parliamentary election periods if we are contesting the election

1.13 We understand that if the party has submitted four consecutive quarterly nil loans returns, we will then be exempt from submitting further quarterly returns until we enter into a reportable loan.

1.14 We also understand that separate quarterly loan returns must be submitted if we appear on the Northern Ireland register of political parties.

## Campaign expenditure

1.15 The party will submit a campaign expenditure return if we have candidates contesting a UK Parliamentary election, European election, Scottish Parliamentary election, National Assembly of Wales election, or Northern Ireland Assembly election. The campaign expenditure return will be submitted within three months of the date of the election if our expenditure is less than £250,000 or within six months of the date of the election if our expenditure exceeds £250,000. We note that if our expenditure during the

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<sup>4</sup> See above.

campaign exceeds £250,000 our return must be submitted with an auditor's certificate.

1.16 In order to ensure compliance with the legislation, [name of campaigns officer if registered, otherwise name of registered treasurer] will:

- ensure that campaign expenditure and claims payments are duly authorised, received and paid on time and that all relevant receipts and invoices are kept
- put in place budgeting and monitoring arrangements to ensure that campaign expenditure is within the statutory limits
- ensure the compilation, auditing (if necessary) and timely submission to the Commission of a campaign expenditure return within the statutory deadlines

## Referendums

1.17 If the party participates in a referendum to which Part VII of the Act applies, [party name] will develop and put in place arrangements for complying with the controls on referendum expenditure. We will do this by adapting our arrangements for the control of campaign expenditure.

## Grants

1.18 [Party name] will ensure that any grants from the Commission to the party are spent in accordance with the conditions of grant imposed by the Commission. We agree to cooperate with any associated audit requirements specified by the Commission.

## Changes to registered details

1.19 [Party name] will ensure that the party's details that are registered with the Commission are kept up to date. We will inform the Commission of any changes to registered officers within 14 days of the change and any other changes within 28 days.

1.20 We will ensure that our RP8 annual confirmation of registered details and £25 fee are submitted to the Commission with the annual statement of accounts by 30 April of the following year (if our expenditure or income is less than £250,000) or by 7 July of the following year (if our expenditure or income exceeds £250,000).

1.21 We note that failure to submit our RP8 annual confirmation of registered details within the prescribed timescale will result in our statutory removal from the register of political parties. We understand that this would mean that the party would no longer be able to field candidates at elections under the party name.

## Penalties and offences

1.22 [Party name] understands that the Commission may impose civil penalties on parties that fail to comply with their legal obligations, including failures to submit statutory returns on time. The party also understands that failure to comply with certain legal requirements of being a registered political party is a criminal offence.

## Role of other party officers

1.23 Should the appointment of the registered party treasurer terminate for any reason, then the registered party leader will, until a new treasurer is appointed, be treated as the party treasurer and will be responsible for ensuring that the party complies with its legal obligations.

1.24 Should the treasurer whose appointment is terminated also be party leader, then the nominating officer will, until a new treasurer is appointed, be treated as the party treasurer.

1.25 Should the treasurer whose appointment is terminated also be party leader and nominating officer, then the other registered officer will, until a new treasurer is appointed, be treated as the party treasurer.

## Promoting compliance with the Act

1.26 The Party will have processes in place to ensure compliance with its legal obligations. The registered treasurer, [name of registered party treasurer], will ensure that the registered leader and all other officers and members of [party name] have sufficient knowledge of our financial obligations under the Act to ensure that the party as a whole complies with these obligations.

## Amendments to the financial scheme

1.27 The registered treasurer, [name of registered party treasurer], will ensure that any proposed amendments to this financial scheme are submitted to the Commission for approval.

## Signed

Leader: \_\_\_\_\_ Date: \_\_\_\_\_

Treasurer: \_\_\_\_\_ Date: \_\_\_\_\_

Nominating officer: \_\_\_\_\_ Date: \_\_\_\_\_

Campaigns officer (if applicable): \_\_\_\_\_ Date: \_\_\_\_\_

Other officer (if applicable): \_\_\_\_\_ Date: \_\_\_\_\_

