

**From:** compliance@libdems.org.uk

**Date:** Mon, 7 Feb 2022 at 18:00

**Subject:** The Escalation Policy - all you need to know



Welcome to **Day 7** of the 28-Day training programme.

Today's focus is on the **Escalation Policy** - [a copy of which can be found here.](#)

## What is the Escalation Policy?

This is our commitment to the **Electoral Commission** that the Liberal Democrats have sufficient processes established regarding compliance in financial reporting.

It was passed at **Spring Conference 2021** and relates to an agreement with the Commission for Local Parties to submit **monthly PPERA returns** to LDHQ. The Policy outlines the steps in place to work with accounting units and their respective Regional/State Parties where monthly donations are late or not being declared.



In line with the Escalation Policy, the submission date changed from the 15th to the **10th**. It was agreed that accounting units would declare donations or a nil return to the Compliance Team within **10 calendar days** of the following month. Also, submissions before the month end would be rejected and need re-submitting within the deadline period.

## Some stats

Looking back at the monthly financial reporting for July to December 2021, only **36%** of accounting units on average had submitted their returns by the deadline (as low as 27% for September). When accounting for declarations made by the end of the following month, **a third** were still missing.



Using the Escalation Policy, we have been able to complete over **a thousand monthly returns** that were missing for nearly **170 accounting units** (including **720** donation reports missing for **2021** and nearly **350 returns for 2014-2020**). This is thanks to accounting units, their respective Regional/State Parties and the Compliance Team working together.

## Monthly returns



It is mandatory for donation reports to be submitted monthly, even if a **nil return**. By law, any donations or gifts valued at **£500 or above** have to be reported and checked that they are from permissible donors.

For internal reasons, we recommend reporting items valued **over £100** - a nil return may be declared in the absence of donations of £500 or more.

When a Treasurer is unavailable, the duty falls upon the Chairperson, as both are jointly responsible for Compliance. Some Local Parties also appoint an Assistant (Deputy) Treasurer to help but responsibility always rests with the Treasurer and Chair (Convenor in Scotland).

Please note that Chairs and Treasurers remain responsible for any returns due during their time in office. This is especially important when handing over roles so outgoing Executives

should work together with their incoming colleagues.

We need your help to ensure that the Liberal Democrats keep on the right side of the law. If you're struggling, please let us know. The Compliance Team is here to help you meet your legal obligations and aim to help resolve issues informally where possible. Please do not hesitate to contact us if you have any queries, by emailing: [compliance@libdems.org.uk](mailto:compliance@libdems.org.uk)

Don't forget our Treasurer Training Day on Sunday 20th February which you can register for [here](#).



With best wishes,  
**Nazmin Khan**  
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