

GENERAL ELECTION 2019 SPENDING RETURN GUIDE

**Please complete your submission
by 10th April 2020**

Introduction

As a consequence of all the major UK political parties being fined in excess of £70,000 for inaccurate reporting of their expenditure after the 2015 General Election and the 2016 Referendum and the subsequent publicity surrounding high-profile expenditure cases, the Electoral Commission has tightened up its reporting requirements covering all areas of election expenditure.

Given the unique circumstances of the 2019 General Elections it is vital that you read this guide in full before your accounting unit submits its party spending return to the Compliance Department at Lib Dem HQ.

You should read this regardless of whether you have completed a return for a previous election or not.

Your Party Campaign Spending Return must cover all items of campaign expenditure that were carried out to promote the Liberal Democrats between 13th December 2018 and 12th December 2019. The regulated period for the General Election overlaps with the regulated period for the European Parliamentary elections held on 23rd May 2019. You will have already reported to us your expenditure for January 23rd 2019 to May 23rd 2019 (which you will be able to view on the portal), so you just need to provide your expenditure for the remaining months.

You must declare anything that hasn't been declared elsewhere in a candidate spending return and is not on the very limited list of exceptions.

You must remember to include expenditure that was made before December 13th 2018 on items that were used after December 13th 2018.

For example, a booking made in November 2018 for a stall at an event which took place in June 2019 must be included in your spending return.

Following this guidance is for your own benefit and to explain how your return must be submitted. It details what information is required for your return to be correct and provide the level of accuracy and detail required by the Electoral Commission.

This Party Campaign Spending Return is mandatory and must be fully submitted to Party HQ by April 10th at the very latest.

By submitting sooner rather than later you also will help us in our mammoth task to compile this return.

Thanks you for your attention to detail and support!

Types of Election Return

Please read and understand this section as the distinctions made within it are vital to grasp the rest of this guide.

There are two types of campaign spending return in British election law, these are Candidate spending and Party spending.

Following a General Election, all candidates must file a spending return with the local returning officer, this is an example of a Candidate spending return. Elections that have Candidate spending returns have election agents. These election agents are the only people allowed to spend money on that election. The Election Agent and the candidate in that type of election are in law separate from the party and in legal terms exist outside of the party structure.

Spending that is made and recorded on a Candidate return cannot be put on a Party spending return.

We cannot account for the same spending twice.

Therefore, anything that was reported by election agents in the recent council elections, by-elections and the general election for example should not be reported again on this Party spending return.

You will find it useful to speak to the Election agent to ensure that you are not duplicating something the agent has already accounted for.

Sanctions

The Liberal Democrats, as with all political parties, have a legal responsibility under Section 80 of the Political Parties, Elections and Referendums Act 2000 to declare its campaign expenditure for the 12 months running up to a European Election to the Electoral Commission.

This is not a Liberal Democrat rule, it is a matter of law and as such the Party takes these matters very seriously as should all party members that hold office within the party. It is therefore required of all treasurers to complete a return as to their expenditure during the Party regulated period – in this case December 13th 2018 to December 12th 2019.

Failure to declare any item of expenditure or the failure to submit a return could leave the Party open to a significant fine by the Electoral Commission.

The responsibility rests with person whose (in)action caused the fine in the first place and as a consequence could, under the relevant disciplinary rules, be deemed as bringing the Party into disrepute. It is a legal requirement to complete the return even if you are declaring that you made no spending at all.

We will be forced to use the party disciplinary rules to sanction any treasurer who either does not complete this return or makes a return they know to be untrue.

We reserve the right to pass onto local parties a proportion of any fine the party receives for incomplete information or omissions from the return.

If you require advice on what to include in this return you can contact compliance at Lib Dem HQ. (see page 20 for contact details).

Why have I Received this?

The Party Campaign Spending return is a declaration of all the campaign spending that happened in your accounting unit area. It is the responsibility of the Treasurer of that accounting unit to accurately fill in the return and supply us with copies of all the invoices.

This return is legally required, and it must be completed.

You are responsible for declaring all of the Party campaign spending in the area covered by your accounting unit. But you must also have due regard to recording accurately any items of campaign spending that may cross your area into the area covered by another accounting unit. For example if you have a Parliamentary Constituency that crosses into a another accounting units area you should talk to the Treasurer of that accounting unit to make sure you report all of the campaign spending that happened across both areas but don't inadvertently each report the same item twice.

If you have no accounting records and therefore will have difficulty in completing this return you must contact the compliance department at Lib Dem HQ without delay. (see page 19 for contact details).

What is Party Campaign Spending?

Party Campaign Spending is defined as material that promotes the party and is intended to promote success in an election.

It could be (and this is by no means an exhaustive list) leaflets, letters, posters, placards, surveys, websites or other digital campaign materials.

It would not normally include things that are sent only to party members, but you should include items that were sent to party member for them to send on to the public. “Send this to your twitter followers” campaigns are a prime example.

You should make an honest assessment based on the facts as to whether something that you think may fall into the category of Party Campaign Spending is campaign material at all. To be classed as campaign materials they must be intended to go in front of voters.

Our advice is to firstly identify all your campaign spending - and then see if there is any reason that you should not report an item to us.

Remember!

Nowhere above have I said that anything about the campaign materials needing to mention the General Election to count towards the General Election return, because they don't have to mention the election to count.

Let's just let that hang there for a bit.

Campaign materials do not have to mention the General Election in order to count towards this spending return.

Anything that **promotes the party in the eyes of the public** can count towards the return.

Time Limits

In order to count as Party Campaign Spending the item must have been placed in front of the voter at any time between December 13th 2018 and December 12th 2019.

Anything that was placed in front of the voter (including online) before this time period is not included in this Party Campaign Spending Return.

However, if you purchased it before 13th December 2018 but used it after December 13th then you must count it.

To reiterate, it is when it was used that counts not when it was purchased. You may well have brought the item a year before but if you used it after December 13th 2018 you should still count it.

Local party spending from stock

Where you have used items from stock, you should provide a notional invoice for the amount usually charged for the item.

This is the same method you would use for your local election returns. This will mainly be used for things such as, internal printing or the use of posters from stock.

If you have any queries regarding this you should contact the Compliance Department directly. (see page 20 for contact details).

Identify all items

Firstly, create a comprehensive list of **all** items of campaigning spending that your accounting unit has used during the period of December 13th 2018 to December 12th 2019.

All of it. Absolutely everything.

Now divide it into the following categories:

Category	Notes
Party political broadcasts	<p>Expenses in respect of such broadcasts include agency fees, design costs and other costs in connection with preparing or producing such broadcasts.</p> <p>It is unlikely that you will have anything for this category as you won't be making party political broadcasts unless you are HQ or a state party. NB YouTube videos and web videos are not this category.</p>
Advertising of any nature (whatever the medium used)	<p>Expenses in respect of such advertising include agency fees, design costs and other costs in connection with preparing, producing, distributing or otherwise disseminating such advertising or anything incorporating such advertising and intended to be distributed for the purpose of disseminating it.</p> <p>This will be YouTube, website costs, Facebook adds, posters, anything that is put out there and people see it by chance rather than us targeting it at them.</p> <p>A street stall might fall into this category depending on what you did with it.</p>
Unsolicited material addressed to electors (whether addressed to them by name or intended for delivery to households within a particular area or areas).	<p>Expenses in respect of such material include design costs and other costs in connection with preparing, producing or distributing such material (including the cost of postage).</p> <p>This is material that is posted through people's letterboxes or sent directly to their email addresses.</p>

<p>Any manifesto or other document setting out the party's policies.</p>	<p>Expenses in respect of such a document include design costs and other costs in connection with preparing or producing or distributing or otherwise disseminating any such document.</p> <p>This is not necessarily just HQ you may have issued a local authority manifesto during this time period.</p>
<p>Market research or canvassing conducted for the purpose of ascertaining polling intentions.</p>	<p>This would be a phone bank for instance. Or other canvassing costs.</p>
<p>The provision of any services or facilities in connection with press conferences or other dealings with the media.</p>	<p>Press conferences, media events etc</p>
<p>Transport (by any means) of persons to any place or places with a view to obtaining publicity in connection with an election campaign.</p>	<p>Expenses in respect of the transport of such persons include the costs of hiring a particular means of transport for the whole or part of the period during which the election campaign is being conducted.</p> <p>VIP visits or transporting campaigners around the area.</p> <p>Remember this is for anything that promotes the party during the period December 13th 2018 to December 12th 2019</p>
<p>Rallies and other events, including public meetings (but not annual or other party conferences) organised so as to obtain publicity in connection with an election campaign or for other purposes connected with an election campaign.</p>	<p>Expenses in respect of such events include costs incurred in connection with the attendance of persons at such events, the hire of premises for the purposes of such events or the provision of goods, services or facilities at them.</p> <p>This would not include a regional conference as that is exempted.</p>
<p>Overheads and Administration</p>	<p>This is all the other costs that are associated with the categories above but cannot be easily escribed to them.</p> <p>Also includes contractors and staff not on a PAYE salary.</p>

You should now have a comprehensive list of all spending that is categorised into the right categories.

Things to Remove

As we have said, our advice to you, is to start by identifying all campaign spending. Then you make an honest assessment based on the facts to decide if there is a **legitimate** reason to exclude any of it from your party spending return.

What you can legitimately exclude from your return:

1. Exclude items that were placed in front of the voter before December 13th 2018 or after 10pm on December 12th 2019. I.e. anything that was used outside of the twelve-month period we are looking at.
2. Exclude any expenditure which has been declared on a return of Candidates election expenses. If you had local elections on May 2nd you should remove any items that have been reported on returns made by those candidate's election agents on behalf of their candidates. Do not assume this you must cross reference the list with those returns and be sure. Don't forget to also exclude from this return any candidate spending made by council by-election agents for by-elections that may have happened in your area.
3. Exclude any expenditure which was:
 - a. newsletter or similar publication, **and which was**
 - b. issued by or on behalf of the party **and was issued with a view to**
 - c. giving electors in a particular electoral area information about the opinions or activities of, or other personal information relating to, their elected representatives or existing or prospective candidates
 - d.

See the section on the newsletter exemption later in this guide (page 16).

4. Exclude anything that is:
 - a. Permanent, fixed term or temporary staff costs where the staff member has a direct employment contract with the party (e.g. if Bookcheck or ALDC do the payroll for you).
 - b. Volunteer time
 - c. Office running costs, except costs that are higher than usual because of campaigning, such as telephone bills
 - d. People's travel, food and accommodation costs while they campaign, unless you reimburse them
 - e. Expenses met out of public funds. For example, security costs for VIP visits
 - f. Material sent only to your members
 - g. Party conferences You may have an item that is partly excluded, and party included. In that case it must be declared, and a copy of the invoice

appropriately annotated (in clear block capital letters on the invoice how much is included and excluded) must be submitted with the return.

Four Categories of Exclusion

As you will see the exclusion rules fall into four categories.

- The first are items that were outside of the time limits.
- The second are campaign items that have been reported by an Election Agent on a Candidate spending return (known in times gone by as the “Election Expenses Return”).
- The third are campaign items that are newsletters about elected members or prospective candidates, they give information on those people and their political opinions, these are not generic documents they are specifically by and about elected members and existing or prospective candidates. Please see the newsletter section later in this guide.
- The fourth category is a list of general exclusions including things that can be excluded because they were either volunteer time or resources.

Volunteer time

Sometimes you may not be sure if someone is a volunteer or if their time should be treated as notional spending. For example, they may offer similar services professionally to the ones they are performing for you.

They will be a volunteer if:

- their employer is not paying them for the time they spend on your campaign, or
- they are using their annual leave, or
- where they are self-employed, you won't benefit from any professional insurances they hold

If they use specialist equipment or materials, you should consider whether their use is notional spending see Notional Transactions later in this guide.

Documentation

What do we need?

We need an itemised VAT receipt or an invoice regardless of the amount.

It must be a photocopy, a PDF or scan of the original – Photographs or other formats are NOT acceptable, and your entire expenditure return may be set back to you for proper completion if any invoices/receipts are missing or in the wrong format.

It must be photocopied onto plain white paper, do not photocopy it on to an old leaflet or other reused bit of paper!

The invoice or receipt must show:

1. The name and address of the supplier
2. The address of the person who the invoice was made out to
3. The date of the invoice
4. Show what goods were purchased
5. Details of any discounts received
6. The quantities of the item(s)
7. The total amount

Where an order was placed and then subsequently cancelled you must include details of the cancellation including any refunds and/or credit notes.

Multiple transactions

You must not bundle transactions together, for example if there are two invoices on the same day to the same supplier you must put them as separate transactions.

Example:

Two invoices for party campaign expenditure have been issued from Blogshire Printers. One is for £50 and one is for £100. Both are dated the same day, and both were paid on the same day.

You should fill two transactions on the return. One for £50 and one for £100. You should **not** put down one line for £150. You must also supply copies of both invoices.

Please don't split an invoice into separate lines on the return unless they are different categories of spending. So for a printing bill with 10 Focus invoices, record one transaction for printing only, not 10.

Expenses Claims

If you have paid a member back for several items of expenditure (an expense claim for example) then you must list each individual item of that expenses claim and not bundle it all up into one transaction.

Example:

Lesley has purchased the following:

- Stamps at the Post Office purchased on 5th May 2019 for £56
- Wood for poster boards at the Blogshire Builders Merchants on 10th May 2019 for £120

You paid Lesley for these items on 15th May. You paid both at the same time so you gave Lesley £176.

You must not put down one transaction for £176 with Lesley as the Supplier and paid on 15th May 2019.

You must put two transactions down, one of them with the Post Office as the Supplier and paid on 5th May 2019 and the other with Blogshire Builders Merchants as the supplier and paid on 10th May 2019.

Deadlines

There are strict time limits by which you must receive all invoices for your party campaign spending.

You **must** have received all invoices on or before **13th January 2020**.

If you receive an invoice later than this date it is **illegal** to pay it. **You must not** pay such invoices but must report them to us as Unpaid Claims.

If you have an Unpaid Claim, you should contact compliance at HQ without delay. (see page 20 for contact details).

If you have received all of your invoices on or before 13th January 2020, you must then pay them on or before **10th February 2020**. If you pay an invoice later than this date it is **illegal**. If you miss this payment deadline you must not pay such invoices but must report them to us as Disputed Claims.

If you have a Disputed Claim, you should contact compliance at HQ without delay.

Notional Transactions

Sometimes you may receive items or services free of charge or at a discount.

There are two types of discount:

- **Non-Commercial Discount.** A non-commercial discount is a special discount that you, specifically, are given by suppliers. This may occur if another person, company or organisation supports your campaign.
- **Commercial Discount.** Commercial discounts are those discounts available to other similar customers, such as discounts for bulk orders or seasonal reductions.

You **do not** need to count **commercial** discounts, but you **do** need to count **non-commercial** discounts.

When you receive a **non-commercial** discount, you must report the value as **notional spending** in your return to us.

Notional spending is calculated as the difference in value between the commercial rate for an item or service and the non-commercial discounted price that you paid (if it was free then you would count the entire commercial value).

You must record the full cash value and notional value of these items or services on your return to us if:

- you receive the item free of charge or at a non-commercial discount of more than 10%, and
- the difference in value between the commercial rate and what you pay is over £200

Please state in the description of item or service box what percentage of discount was given. This should be anything from 10% to 100%

Example

Blogshire printers is pro remain and gave you a 50% discount on a leaflet that cost £1000. This discount is a non-commercial discount because it was a discount only available to the party and not to other customers, it was also over 10% discounted and the value of the discount was over £200.

Therefore, you must report the cash you paid and the notional spending.

On your spending return you should put two transactions, one for £500 in cash and one for £500 of notional spending.

This £500 discount is also gift in kind donation and should be reported as such on your monthly donation return.

Notional spending that doesn't need reporting

To reiterate you **do not** need to count items of notional spending that are either: [?](#)

- × Commercial discounts of any value, **or**
- × Non-commercial discounts of £200 or less in value, **or**
- × Non-commercial discounts of 10% or less.

Dates

When you gather your information together you should identify three key dates for real money transactions and two key dates for notional transactions.

You will be asked when you file your return to give these dates and it is vital to understand what they are referring to in each case.

Real money transactions

There are three dates that relate to a campaign expense paid with real money. The law refers to this as a "claim" because the supplier claims the money from you in return for the goods or services.

- Date expense incurred, this is the date you committed to making the spending, the date you placed the order or contracted with the supplier.
- Date of claim for payment, this is the date that the supplier claimed the payment from you, it would be for instance the date on the invoice for the good or service.
- Date claim paid, this is the date the supplier was actually paid. Note it's the date the supplier got paid not when you repaid someone's expenses.

Notional Transactions (includes items provided free or charge or donated)

For notional transactions there are two dates that need to be recorded.

- **Date expense incurred**, this is the date you committed using the item or service that was supplied as a non-commercial discount, for example or the date the goods are supplied to you. Note this called order date in the reporting system but means date received.
- **Notional incurred to date**, this is the end date of the use of the item or service.

The Newsletter Exemption

Under schedule 8 of the Political Parties, Elections and Referendums Act 2000, there is an exemption from the requirement to report “newsletters”. This exemption is probably the hardest thing to comprehend in this guidance document so please read it carefully.

What sorts of items count as a newsletter? In order to fully understand this, we should look at the law and unpick it slightly

The law says that....

“any expenses in respect of newsletters or similar publications issued by or on behalf of the party with a view to giving electors in a particular electoral area information about the opinions or activities of, or other personal information relating to, their elected representatives or existing or prospective candidates;”

...are exempted from this return of party campaign expenses.

So let us take that one bit at a time, “any expenses in respect of newsletters or similar publications” so what is a newsletter or a similar publication.

Let us start by thinking what is **not** a newsletter, this will give us immediate idea as to what we should not need the exemption for.

- a poster
- a website
- street stall
- a survey

So what might be a newsletter, well we know it must be “giving electors in a particular electoral area information about the opinions or activities of, or other personal information relating to, their elected representatives or existing or prospective candidates” so it **must** be focused on **candidates or elected members**, it cannot just be a generic thing about the view of the party about a particular issue or a particular area.

Nothing in the law says anything about if this has been issued regularly or even if this newsletter is on paper or is digital, an email for example, the **critical thing is the content**.

Does it give information about the opinions or activities of, or other personal information relating to, elected representatives or existing or prospective candidates? If it does it could be a newsletter.

It must also be noted at this stage that the newsletter exemption does not apply to newsletters from MPs or prospective parliamentary candidates for the General Election. However, the materials must be about them as MPs or prospective parliamentary candidates.

Examples

Question	Answer
<p>In the run up to the local elections in May the local party put out a leaflet in its target wards. The leaflet was all about the candidate for the forthcoming election. It presented local and national policies as her opinions and views.</p>	<p>You could exempt this from your list of party campaign spending as it is a newsletter about the opinions and activities of the candidate.</p>
<p>Prior to the local election expenses period the local party put out a leaflet in its target wards.</p> <p>The leaflet was all about the Lib Dem priorities for the local area for the forthcoming election. It presented local and national policies as the views of the council group as a whole.</p> <p>It did feature quotes from candidates but was presented as being district wide as wasn't by or from a particular candidate but the party as a whole.</p>	<p>You must report this in your party campaign spending return. It is not a newsletter about the opinions and activities of a defined candidate or candidates, being more generic it does not fit the exemption.</p>
<p>Prior to the local election expenses period the local party put out a survey in its target ward. The survey was from a candidate for the forthcoming election. It asked question that were both national and local in context.</p>	<p>You must report this in your party campaign spending return.</p> <p>It is a survey, it is not a about the opinions and activities of a defined candidate or candidates, instead it is asking the voter their opinions.</p> <p>Surveys do not fit the exemption</p>
<p>In the week before the General Election, your local party puts out a newsletter from a member who is a candidate in the General Election itself. It presented local and national policies as her opinions and views in the context of her standing in the Parliamentary Elections.</p>	<p>You must report this in your party campaign spending return. As even though it is a newsletter and it does fit the test outlined above, because it is specifically from a Parliamentary Candidate and it is published it in their capacity as a Parliamentary Candidate the newsletter exemption does not then apply.</p>

Apportionments

Some items may be partly in the party spending return and partly out of it because something may be partly exempted or some if it may have been reported elsewhere.

For each item of spend please state the total amount of the invoice before any apportionments are taken into account. Regardless of the amount you must supply a copy of the invoice or a receipt from the supplier with the return.

You must then explain how the invoice was apportioned. In order to explain any apportionments, there are multiple columns / boxes on the return for and they must add up correctly, if you are using our online system to file your return this will be added up for you.

Examples

Question	Answer
<p>John has started delivering a leaflet on March 26th. The candidate election period started on March 27th. John's election agent decided that 50% of the value of the leaflet was to be declared in his Candidate Spending Return, because half of the leaflet was distributed before the regulated period of that election started.</p>	<p>Because half of the leaflet was declared in a candidate return you must declare the remaining half to us and annotate the invoice appropriately to explain that the other half was reported on a candidate return.</p>
<p>Jade has published a leaflet in the run up to the local elections. One side of it is generic and can be used city wide, the other side of it is localised to each ward and features the opinions of the prospective candidates for that ward and information about those candidates and their activities in the ward.</p>	<p>The generic side is not covered by the newsletter exemption as it does not feature information about the opinions or activities of the candidates for a particular ward. The localised side however is covered by the newsletter exemption.</p> <p>In this case you should declare that half of the cost is exempted, and the other half is declarable. You should annotate the invoice appropriately to explain that one half is declarable and one half exempted under the Newsletter Exemption.</p>

Filing Your Return

Once you have prepared your spending submission you need to file it with us. This can be done via Lighthouse. If you are unable to complete your submission online please contact the Compliance Department.

Next Step

Please now start compiling your Party Spending Return and ensure that you have completed it by 10th April 2020.

Please contact compliance@libdems.org.uk or call 0207 227 1325 if you have any questions regarding this return.

Summary

1. Identify all of your spending on items that fall into these categories:
 - a. Party political broadcasts.
 - b. Advertising
 - c. Unsolicited material to electors
 - d. Manifestos
 - e. Market research or canvassing
 - f. Press conferences
 - g. Transport
 - h. Rallies and other events
 - i. Overheads and Administration costs connected to the above categories
2. Gather together all your invoices or receipts and a copy of all of the campaign materials
3. Remove everything that went in front of the voters before December 13th 2018
4. Remove everything that went in front of the voters after December 12th 2019
5. Remove anything that was declared on a candidate spending return (or an appropriate portion of)
6. Remove anything that passes the newsletter test (or an appropriate portion of)
7. Supply all the rest to us via Lighthouse