

Situations and procedures – GB

Managing donations to political parties

This document is for party treasurers in Great Britain, with a good understanding of donations, who want to know more about dealing with them.

Contents:

Permissibility of donations

Valuing donations

Reporting donations

Recording donations

Terms and expressions we use

We use '**must**' when we refer to a specific legal or regulatory requirement. We use '**should**' for items we consider to be minimum good practice, but which are not legal requirements.

You do not have to follow this guidance, but if you do, you will normally be doing enough to comply with the law.

Our approach to enforcement

If you do not comply with legal or regulatory requirements you or your organisation may be subject to civil or criminal sanctions. You can find more information about the Commission's approach to enforcement at www.electoralcommission.org.uk/party-finance/enforcement.

Managing donations to political parties

Who this document is for:

Party officers in Great Britain who have a good understanding of donations and want to know more about how to deal with them.

This covers:

- Permissibility of donations
- Valuing donations
- Recording donations
- Reporting donations

Related documents:

- [Overview of donations to political parties](#)
- [Situations and procedures – Permissibility checks for political parties](#)

Forms and explanations for donations and loans

- Quarterly donations returns – [RP10](#) and [RP10QN](#)
- Quarterly loan returns – [RP10B](#) and [RP10QNB](#)

Expert papers

- [Donations from trusts](#)
- [Valuing auction prizes](#)

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Summary

Donations to political parties are regulated by the Political Parties, Elections and Referendums Act 2000 (PPERA).

This means that when you receive a donation, you must check that you can accept it, record it and in certain cases, report it to us.

This guidance gives you information about how to deal with donations.

What is a donation?

A donation is money, goods or services given to a party without charge or non-commercial terms, with a value of over £500.

Some examples of donations include:

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

For more information on sponsorship as a donation see this document:

- [Expert paper: Sponsorship](#)

Under the Political Parties, Elections and Referendums Act 2000 (PPERA), only items with a value of **more than £500** are classed as donations.

Checks on donations

Before your party accepts any donation of more than £500, you must immediately make sure that you know who the donor is **and** that the donation is from a permissible source.

If you are given a donation on behalf of someone else, the person giving you the donation (the agent) must tell you:

- that the donation is on behalf of someone else; and
- the actual donor's details

If you think that someone might be acting as an agent, you must find out the facts so that you can make the right checks.

An example of someone acting as an agent is where an event organiser is handing over the proceeds from a dinner held specifically to raise funds for your party.

If you are not sure who you should treat as the donor (the person paying over the donation or someone else), please call or email us for  **Important** advice.

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What is a permissible source?

A permissible source is:

- An individual registered on a UK electoral register, including overseas electors and those leaving bequests.
- Most UK-registered companies.
- A Great Britain registered political party.
- A UK-registered trade union.
- A UK-registered building society.
- A UK-registered limited liability partnership (LLP) that carries on business in the UK.
- A UK-registered friendly society.
- A UK-based unincorporated association that carries on business or other activities in the UK.

You can also accept donations from some types of trust, and from certain public funds. For more information, see [Expert paper: Donations from trusts](#).

The reasonable costs of overseas visits are deemed to be from a permissible donor.

How long have you got to check permissibility?

You must start checking the permissibility of the donation as soon as you receive it.

You have 30 days to decide whether to accept or refuse the donation.

If you keep the donation beyond 30 days, you are deemed to have accepted it.

For more information, see this document:

- [Situations and procedures: Permissibility checks for political parties](#)

When do you 'receive' a donation?

You usually 'receive' a donation on the day you take ownership of it.

For example:

- If you are given free leaflets, you receive the donation when the leaflets are handed over to you.
- If you are given a cheque, you receive the donation on the date that the cheque clears.
- If a donation is transferred directly into your bank account, you receive the donation on the date that you check your online bank record or are notified of its receipt by the bank.

What happens if you receive a donation that isn't permissible?

If a donation is received and it isn't permissible, you must return it within 30 days. If your party keeps the impermissible donation after the 30 days, you are deemed to have accepted it.

If your party accepts an impermissible donation, your party may be subject to civil enforcement action. The party and the treasurer may also have committed criminal offences.

If you've accepted an impermissible donation, you should tell us as soon as possible.

Donations of £500 or less

Donations of £500 or less are outside the scope of PPERA and you do not need to record or report them.

However, be alert to situations where it appears that a donor is attempting to evade PPERA by making a series of small donations, for example, if a number of donations of £400 are made from the same source in similar circumstances.

If you think this may be happening, call or email us for advice.

Important

It is an offence to attempt to evade the controls on donations.

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How do you value a donation?

The value of a donation is the difference between the value of what you receive and the amount (if any) you pay for it.

If you are given property, goods or services free of charge, or at a non-commercial discount, you must value it at the market rate.

For example:

| Market rate for goods | - | Price you pay | = | Value of donation |
|------------------------------|---|----------------------|---|--------------------------|
| £1,000 | - | £400 | = | £600 |

Or:

| Market rate for services | - | Price you pay | = | Value of donation |
|---------------------------------|---|----------------------|---|--------------------------|
| £1,000 | - | £0 | = | £1,000 |

If the donor is a commercial provider, you should use the rates they charge other similar customers. If this information isn't available, you should find out what similar providers charge for the same property, goods or services and use this as the market rate.

If you are still not sure how to value a particular donation, please call or email us for advice.

You should keep a record of how you reached your valuation.

Commercial discounts are those available to other similar customers, such as discounts for bulk orders or seasonal reductions.

Non-commercial discounts are special discounts that your party, specifically, is given by suppliers.

Valuing donations where your party hosts an event or provides goods or services

If your party hosts an event, or provides goods or services, any profit from the event (or the goods or services) constitutes a donation.

The value of any donation is the profit made by the party from each donor.

You should work out how much it costs the party for each person attending the event, or for each person receiving goods or services. Then, deduct this amount from what each person paid you to find the value of the donation.

If the event includes an auction, for more information see this document:

- [Expert paper: Valuing auction prizes](#)

For example:

| | | | | |
|---------------|---|-----------------|---|-----------------|
| Cost of event | ÷ | People at event | = | Cost per person |
| £25,000 | ÷ | 1,000 | = | £250 |

So:

| | | | | |
|--------------------|---|-----------------|---|-------------------|
| Amount person paid | - | Cost per person | = | Value of donation |
| £1,000 | - | £250 | = | £750 |

Valuing a donation by sponsorship

If someone sponsors a publication or event on the party's behalf, the value of the donation is the full amount that they pay.

You must not make any deduction for any benefit that they receive from the sponsorship.

For more information see this document:

- [Expert paper: Sponsorship](#)

Valuing other types of donation

You can find more information on valuing office space and seconded staff in Expert paper: Splitting expenses.

If you are still not sure how to value a donation, please call or email us for advice.

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How to record and report donations

Accepting donations – a summary

If you accept a donation over £500, you must record these details:

- The donor's name and address.
- If the donor is a company, their registered company number.
- The amount or nature and the value of the donation.
- The date on which the donation was received.
- The date on which the donation was accepted.

You must record the donor's address as it is shown on the relevant statutory register. If the donor is an overseas elector, you must record their home address. This is because no address will appear on the electoral register.

If the donor is an unincorporated association, you must record the main office address. This is because there is no register of unincorporated associations to refer to.

You must include and report permissible donations (over certain thresholds) in your quarterly return.

The thresholds are different for central parties and accounting units.

- A central party's reporting threshold is **over £7,500**.
- An accounting unit's reporting threshold is **over £1,500**.

For more information on which registers you need to check, see this document:

- [Permissibility checks for political parties](#)



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Returning donations – a summary

If you receive a donation from an impermissible source you must return it and record these details:

- The amount or nature of the donation and its value.
- The manner in which the donation was made.
- The date you received the donation.
- The date you returned the donation.
- The action you took to return the donation (for example, the person or institution you returned it to).

You must include all impermissible donations on your quarterly return.

Donations from uncertain sources

If you are unable to confirm who a donation is from, or that it is from a permissible source, you should record it and return it.

If any interest has been gained on the donation your party can keep it, as it is not treated as a donation.

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Aggregating donations and loans

You must add together and report permissible donations and loans that you receive from the same source in the same calendar year (whether they're made to the central party, an accounting unit or a combination of both). You should report these aggregated amounts to us in the quarter they exceed the reporting threshold.

There are different thresholds for reporting depending on whether your source has already made a reportable donation or loan in the calendar year.

- If you **have** already reported the source in the calendar year, the threshold is **over £1,500**.
- If you **have not** already reported the source in the calendar year, the threshold is **over £7,500**.

Different thresholds apply for reporting of donations and loans to accounting units. If your party has accounting units, you should read [Reporting donations and loans: Parties with accounting units](#).

You will need to report your aggregated donations and loans in your quarterly return.

If your party has accounting units, for more information see this document:

- [Situations and procedures – Reporting donations and loans: Parties with accounting units](#)

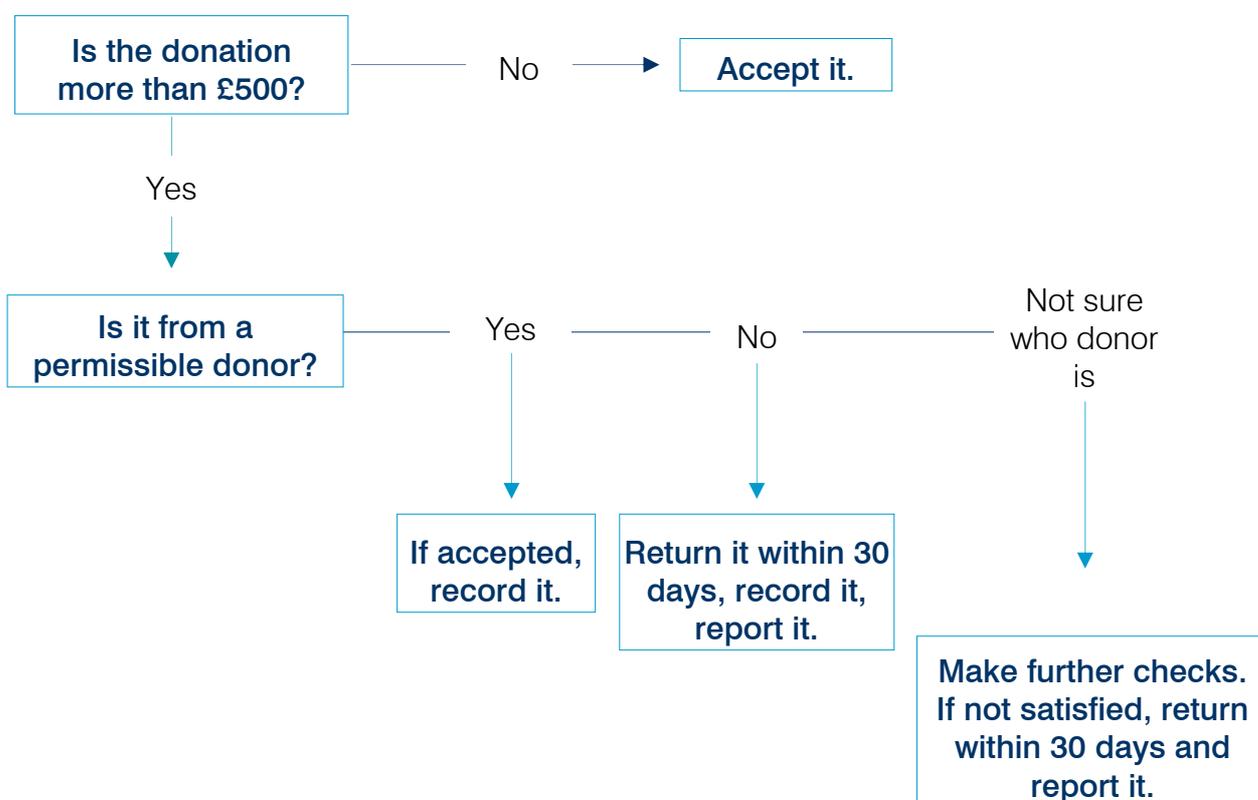
 **Important**



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What to do with donations

Donations from a new donor



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Reporting donations

Your party must submit quarterly returns showing donations you have accepted in that quarter. These are the deadlines for submitting quarterly returns:



| Quarter | Date return is due |
|-------------------------|--------------------|
| One (January–March) | 30 April |
| Two (April–June) | 30 July |
| Three (July–September) | 30 October |
| Four (October–December) | 30 January |

Important

There are penalties for late submission of your returns.

When a UK general election is called you must report donations you have received to us each week, unless you have made a declaration to us that you will not be standing any candidates at the election.

Important

You can make this declaration on [Form RP6](#) at any time up until seven days after the election is called. You can also withdraw the declaration if your party decides to stand candidates



When a general election is called, we will write to you to let you know how to report to us and put details on our website.

Reporting requirements summary

| Donation | Requirement |
|---|--|
| Single donation of £500 or less | No recording or reporting requirements |
| Single donation of over £500 | Record |
| Single or aggregate donations/loans of more than £7,500 | Record and report on quarterly return |
| Donations/loans totalling more than £1,500 where a party has previously reported donations/loans from the same source that year | Record and report in quarterly return |

You can find reporting forms and instructions on how to complete them here:

- [RP10](#)
- [RP10QN](#)

If your party has accounting units, for more information on relevant thresholds see this document:

- [Situations and procedures – Reporting donations and loans: Parties with accounting units](#)

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Exemptions from quarterly returns

Even if you do not receive any donations, you still need to submit a quarterly return report – this is called a '**nil return**'. You can find the [form here](#).



If you submit four successive quarterly nil returns you are exempt from submitting further reports until you receive another donation.

We will write to you to let you know if you become exempt from quarterly returns. You must still submit your annual accounts.



How we can help

You can find more information in the guidance documents we have suggested in this document, or you can view our full range of guidance and up-to-date resources on our website.

If it's easier, you can also contact us on one of the phone numbers or email addresses below. We are here to help, so please get in touch.

Call us on:

- **England:** 020 7271 0616
pef@electoralcommission.org.uk
- **Scotland:** 0131 225 0200
infoscotland@electoralcommission.org.uk
- **Wales:** 029 2034 6800
infowales@electoralcommission.org.uk

Visit us at www.electoralcommission.org.uk

We welcome feedback on our guidance – just email us at:
pef@electoralcommission.org.uk

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