

## **CAPITAL CREDITS**

### **FREQUENTLY ASKED QUESTIONS**

#### **What are Capital Credits?**

As a member of Barton County Electric Cooperative, this is your business. At the end of each year, all cooperative expenses are subtracted from operating revenue and the amount left over is the margins. Capital credits are your share of the margins. Margins are allocated to the members each year and retired in accordance with the Cooperative's bylaws.

#### **What is the difference between allocating and retiring capital credits?**

Each year, capital credits are allocated to each member and recorded in the books of the Cooperative. Capital credits are retired or paid to members after the Board determines that the financial condition of the Cooperative will not be impaired thereby.

#### **Why is the cooperative so far behind in allocating Capital Credit checks?**

Capital credits are the cooperative's equity. Equity makes it possible to secure loans and maintain facilities and services. When the equity level is high enough, the Board of Directors authorize the disbursement of capital credits. Equity levels and cash equally have an impact on electric rates. Because the Cooperative is now trying to refund in three year increments, it is important that everyone involved with the membership have their name on the account and that your address, if you move out of the area, is kept current at Barton County Electric Cooperative.

#### **Can I cash a check if I receive one?**

If you were the member during the years capital credits have been retired and your name is listed on the check you may cash the check. In the event you receive a joint check and your spouse is now deceased, you may cash the check. If you are an heir of the member and your name is on the "in care of" line, you may cash the check. If you received the check and believe it to be an error or if you are not the person to whom the check is written, you must return it to the cooperative. Failure to do so may result in prosecution, especially if you place a false endorsement on the check.

**What if I had a joint account and am now divorced or separated? Do I still receive a check?**

If you previously had a joint account with another person through marriage, you are entitled to make a claim. The first party to make the claim will receive the check. That person is then responsible to give half of that amount to the other member listed on the account if they know their whereabouts. Barton County Electric will not be held responsible or liable for difficulties resulting from the failure of one party to notify the other.