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**Policy 103**

## **Disbursement and Retention of Unclaimed Capital Credits**

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### **SUBJECT:**

Disbursement and Retention of Unclaimed Capital Credits

### **OBJECTIVE:**

To establish a policy for the disbursement and retention of patronage capital credits.

### **POLICY:**

Montana Code Annotated §35-18-316(3) provides that Lower Yellowstone Rural Electric Cooperative shall, upon the action of the board of trustees, retain patronage refunds allocated to its members that remain unclaimed for a period of 5 years after the end of the year in which the refunds are given. Refunds retained by the cooperative must be used for educational purposes.

Accordingly, LYREC establishes the following policy:

1. Unclaimed capital credit refunds will be retained by the cooperative for five (5) years. If the patron does not respond within a five (5) year period, the capital credits will be considered available for education purposes.
2. During the initial 5-year period, the cooperative will make reasonable attempts to locate the rightful owner of the property. Among other things, a listing of all members within the five (5) year time period with unclaimed capital credits will be posted on the cooperative's website and updated periodically. The member will need to contact the cooperative and provide proof of ownership before payment will be made.
3. On an annual basis, patronage refunds that remain unclaimed for five (5) years shall be transferred to a separate account or fund that is not part of the cooperative's general fund.