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December 1, 2024  
Applicability: Board and Management

## **BOARD AND MANAGEMENT POLICY NO. 307 CAPITAL CREDIT REFUNDS TO ESTATES & BENEFICIARY DESIGNATIONS**

### **I. PURPOSE**

To set forth a procedure for refunding capital credits to estates when funds are available and to permit a member to designate a beneficiary to receive capital credits. This policy shall be available to the public on the Cooperative's website.

### **II. GENERAL**

Capital credits can only be refunded after authorization by the Board of Directors. If a member designates a beneficiary, any capital credits due to the member upon the member's death shall be refunded to the named beneficiary (or contingent beneficiary) after Board approval. If a beneficiary has not been designated, a decedent's capital credits will be refunded to their legal heir or executor in one of two ways:

- 1) On a discounted basis (Net Present Value)
- 2) At full value as part of the Cooperative's capital credit retirement program

A selection form must be completed before a refund will be issued. The discount rate is established at the beginning of each year and is the calculated internal cost of capital.

### **III. PROCEDURE**

#### **1. Beneficiary Designation:**

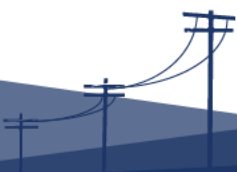
A member may complete a Capital Credits Beneficiary Designation Form. The form will be reviewed and kept among the records of the member.

#### **A. Form 307BD – Capital Credit Beneficiary Designation Form**

The member may complete the form (available on the Cooperative's website) with all requested information. The form must be signed by the member. A member may designate a contingent beneficiary. If all named beneficiaries predecease the member, the designation shall be null and void, and the capital credits shall be payable to the member's estate.

#### **B. Applicability**

A beneficiary designation is applicable to any and all capital credits owned by the member at the time of the member's death unless specified otherwise by the member on form 307BD.





C. Discounted Rate

A payout to a beneficiary pursuant to a completed Form 307BD shall be at a discounted rate.

2. No Beneficiary Designation

A. Form 307CCR - Request for Capital Credit Refund

A personal representative or heir may request Form 307CCR from the Cooperative. Cooperative staff will complete the member information and fill in the discounted refund amount. The personal representative or heir will complete the form with all requested information and select either discounted refund or full refund per the Cooperative's capital credit retirement program. If discounted refund is selected, the member shall submit the completed application along with a copy of death certificate and letters of administration (if applicable). If no selection is made, capital credits will be refunded on a discounted basis.

B. Balance on Accounts

If there is a balance due to the Cooperative on an account of the deceased member or the heir requesting refund of capital credits, any balance will be deducted from the refund prior to payment.

C. Future Allocations

Once capital credits have been refunded to an estate, no future allocations of capital credits will be made to the estate.

**IV. RESPONSIBILITY**

It shall be the responsibility of the Director of Finance & Accounting to determine that the proper applications are completed before submitting the list of proposed refunds to be presented to the Board of Directors for their action.

This operational policy supersedes all other instructions dated prior to this policy and in conflict with its provisions.

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Douglas D. Scott  
Chairman



**Form 307BD**

**Location: All Share/Forms/Form\_Excel Docs/Policy 307 112 CC Beneficiary Designation Form 307BD**

**Form 307CCR**

**Location: All Share/Forms/Form\_Excel Docs/Policy 307 110 Deceased CC Form 307CCR**

**REVISION HISTORY**

Revision Number	Effective Date	Description of Changes
1	5/16/13	Original document.
2	9/1/21	Updated formatting.
3	12/1/24	Changed policy number from MP 307-110. Updated to specify that the policy would be publicly available and added section 'Future Allocations.' Updated to incorporate beneficiary designation and new form 307CCR

