

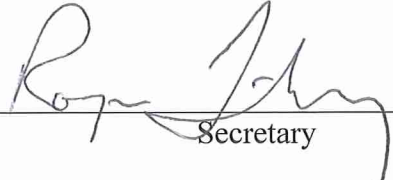
KOOTENAI ELECTRIC COOPERATIVE, INC.  
Policy No. 3-13

- I. SUBJECT: Unclaimed & Abandoned Capital Credits
- II. OBJECTIVE: To establish the general manner in which the cooperative manages unclaimed and abandoned capital credits and to ensure compliance with state laws.
- III. DEFINITIONS:
  - A. The term "owner" means the member, or a person having a legal or equitable interest in the capital credits, or the legal representative of the member.
  - B. The term "unclaimed" means that a capital credit payment remained uncashed, or the owner's mailing address is outdated, and the owner has not communicated with KEC regarding the capital credits after the date that the capital credits became payable and distributable.
  - C. The term "abandoned" means that a capital credit payment has remained unclaimed by the owner for a period of four (4) years after first becoming payable or distributable by the cooperative.
  - D. The term "abandoned paid" means that the capital credit has been reclaimed by the cooperative or otherwise turned over to a state authority, and the member forever loses their right to submit a claim to the cooperative seeking payment of the capital credit.
- IV. POLICY:
  - A. Capital credits shall be determined to be unclaimed when:
    - 1. A capital credit check is returned by mail and attempts to contact the member are unsuccessful;
    - 2. When an uncashed capital credit check is older than 180 days, or
    - 3. Upon retirement, if it is known to the cooperative that the member no longer resides at the address on file, and the member's current address is unknown.
  - B. The cooperative shall attempt to locate the owner of an unclaimed capital credit using methods not limited to:
    - 1. Contacting the member using information it has available such as phone number and/or email address when a check is returned by mail.
    - 2. Publishing and periodically updating a list of unclaimed capital credits on the cooperative's website.

- C. A person claiming an interest in the unclaimed capital credits may contact the cooperative in person, by phone or in writing. The cooperative shall verify the claimant is the rightful owner and notify the claimant if the claim is denied in whole or in part. If a claim is allowed, the cooperative shall pay the capital credits to the claimant, but no interest shall be paid.
- D. The cooperative shall follow Idaho Code 14-542 for accounts with unclaimed property and a last known address in the State of Idaho:
  - 1. The cooperative shall establish and maintain a revolving fund to pay unclaimed capital credits to the owners. There shall be maintained in such fund an amount equal to twenty-five percent of the accumulated unclaimed property or \$20,000.00, whichever is less. Excess money in the revolving fund may be transferred to the general account of the cooperative to be used for any purpose for which the cooperative is incorporated. The transfer of funds shall not alter or extinguish an owner's right to claim the property.
  - 2. After a dormancy period of 4 years, the cooperative may use the funds for the benefit of the general membership or the communities it serves, as determined by the Board of Directors.
- E. Periodically the General Manager shall certify to the Board of Directors a list of capital credits which have been declared payable by the board but which have remained unclaimed for a period of time exceeding that necessary to be considered abandoned. Such certificate shall contain the owner's name, last known address, amount payable but unclaimed, year or years during which the capital credits were earned and date the capital credits became payable. The General Manager shall also certify that the cooperative has attempted to pay the owner, but that the payment remains unclaimed.
- F. The Board of Directors may act by a resolution to declare that the certified unclaimed capital credit payments are presumed abandoned by the owner(s) thereof.
- G. The cooperative shall periodically review unclaimed and abandoned property with a last known address outside of the State of Idaho. The Board of Directors may act by resolution to approve the treatment of unclaimed and abandoned property based on the statutes of those states. Capital credits that are reclaimed by the cooperative or turned over to a state authority shall be marked with status "abandoned paid" in the retirement record.
- H. A retirement record shall be kept in perpetuity for every capital credit retired, regardless of the retirement status.

V. RESPONSIBILITY: The General Manager of the cooperative shall be responsible for the administration of this policy.

Adopted: 02/20/92  
Effective: 02/20/92  
Amended: 09/23/92  
01/27/11  
12/21/18  
05/30/19

Attested:  Secretary