




Butler Rural Electric
Cooperative, Inc.

Your Touchstone Energy® Partner 

The Cooperative Difference

Butler Rural Electric Cooperative is a not-for-profit organization owned by its member-consumers. Abiding by one of the seven cooperative principles, Members' Economic Participation, the board of trustees determines the retirement of capital credits to its members based on the cooperative's financial stability. Capital credits are just one of many differences that set cooperatives apart from other business models.

Definitions:

- 1 **Member** | At the cooperative, you are more than a customer; you are a member-owner.
- 2 **Operating costs** | The cost to maintain, repair and construct the electric system (poles, wires, substations, etc.).
- 3 **Margin** | At the end of the year, Butler Rural Electric Cooperative subtracts operating expenses from the amount of money collected and the balance is called the margin.
- 4 **Allocate** | An approved method used to assign margins to an individual's capital credits account.
- 5 **Patronage** | At the cooperative, your patronage is the amount of money you paid on your electric bill each year.
- 6 **Retire** | A payout from your capital credits account. The cooperative withdraws margins from your capital credits account and sends you a check based on the board's approval of capital credits retirement.

Serving you locally.

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Capital Credits Estates

A guide to claiming a
deceased loved one's
capital credits



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We are sorry for your loss.

On behalf of Butler Rural Electric Cooperative, we are sorry for your loss of a loved one. It is possible that your loved one may have capital credits from the cooperative. We hope this brochure and checklist helps you understand capital credits. If you have any additional questions, please contact our office.



- 1 Butler Rural Electric Cooperative is a not-for-profit organization owned by its member-consumers. The money to cover day-to-day operating costs comes directly from members paying their monthly electric bills.
- 2 At the end of the year, Butler Rural Electric Cooperative subtracts operating expenses from the amount of money collected and the remaining balance is called the margin.
- 3 The margins left over at the end of the year are allocated, or assigned, to a capital credits account based on individual patronage (the amount of money paid for the electric bill each year).

- 4 The capital credits account, similar to a bank account, is the accumulation of margins that were allocated each year based on patronage. At the end of each year, the cooperative deposits the allocated patronage into the member's capital credits account.
- 5 From time to time, the board of trustees retires capital credits based on the financial stability of the cooperative. The board of trustees was delegated this responsibility in the cooperative's code of regulations.
- 6 If the board chooses to retire capital credits, the cooperative will convert the credits to money and send it to the member in the form of a check.
- 7 If your loved one who has passed away has money in their capital credits account, the cooperative will pay out the account in full with a check. The checklist to the right details how the check will be written.

Checklist for receiving member's capital credits estate:

1. Was the deceased a current member of Butler Rural Electric Cooperative? (Was electric in their name with the cooperative at the time of death?)
☐ Yes. Go to #2 ☐ No. Go to #3
2. The service must be transferred out of the deceased's name. The final bill must be paid before capital credits will be paid out.
3. Was the estate probated?
☐ Yes. Go to #5 ☐ No. Go to #4
4. Was the deceased your spouse?
☐ Yes. Go to #6 ☐ No. Go to #7
5. The estate **was** probated:
Please provide Butler Rural Electric Cooperative with a copy of the Death Certificate
AND
A Certified Letter of Authority. Check will be made payable to "The Estate of (late member)"
OR
A Summary Release. Check will be made payable to the administrator.
6. The estate **was not** probated and the deceased was your spouse:
Please provide Butler Rural Electric Cooperative with a copy of the Death Certificate
AND
A copy of the Last Will and Testament
AND
Sign Butler Rural Electric Cooperative's Release of Capital Credits Agreement. Check will be made payable to the spouse of the deceased.
7. The estate **was not** probated and the deceased was not your spouse:
Please provide Butler Rural Electric Cooperative with a copy of the Death Certificate
AND
Affidavit stating the estate will not be probated and whom is the responsible party. Check will be made payable to "The Estate of (late member)"
OR
A Summary Release. Check will be made payable to the administrator.

