

POLICY NO. 30-050

REVISION DATE: December 28, 2004

SUBJECT: CAPITAL CREDITS APPLIED TO UN-COLLECTABLE ACCOUNTS

I. PURPOSE

The purpose of this policy is to set forth the practices and procedures, which shall be followed by the Cooperative in retirement and forfeiture of Capital Credits to an un-collectable account.

II. POLICY CONTENT

Capital Credits Applied to un-collectable accounts:

When a member's account is considered uncollectable by the Cooperative staff, the Board of Directors may authorize the manager to apply the allocated capital credits under the respective member's membership at a discounted rate (for early retirement). The balance of the uncollectable account if any may then be submitted to a collection agency, small claims courts or any other acceptable means of collection.

III. RESPONSIBILITY

The General Manager is responsible for implementing the necessary procedures for retiring, discounting and applying capital credits to uncollectable accounts.

ATTESTING:

President

Secretary

Date