

**BLACHLY-LANE ELECTRIC COOPERATIVE**  
**Policy 1350**

**Section: Financial Management**

**Subject: Allocation and Retirement of Patronage Capital**

I. OBJECTIVE

To ensure that capital provided by members contributing to margins will be accounted for and allocated to the accounts of the members and ultimately repaid to them.

II. POLICY

A. Accumulation and Allocation of Patronage Capital

All member furnished capital in excess of operating expenses (operating margins) shall be accumulated as Patronage Capital and annually apportioned among members in proportion to their patronage dollars. This allocation, be it either a gain or a loss will be applied to each members' individual Capital Credits account in accordance with BLEC bylaws.

B. The Board of Directors shall allocate non-operating margins consistent with the bylaws.

C. Return of capital credits


BLEC will retire capital credits as determined by the Board of Directors and in accordance with the By-laws. By resolution, the Board of Directors will make a determination of the method, basis and order of retirement.

D. BLEC shall maintain a system to provide detailed records relative to member's equity.

III. RESPONSIBILITY

Administration of this policy is the responsibility of the Board of Directors.

APPROVED by Board of Directors

  
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Board Chairperson

FOUNDATION DATE: F8, E2, E4, 2-22-83, 9-14-98  
DATE LAST AMENDED: 6-22-15  
REVIEW SCHEDULE: Annually