



Capital Credits

The bylaws of your cooperative provide that service will be brought to you on a nonprofit, service at cost basis. The payments you make for service, (local service, long distance, rental equipment, etc.) in any year which EXCEEDS the actual operating costs of providing service are referred to as margins. These margins are credited to each patron's capital account. Anyone having service during the year is considered a patron. Annually, records are kept by the company which show the amount and distribution of these margins to the patrons. When the company has sufficient funds and at the discretion of the Board of Directors, capital credits are "retired". Retiring capital credits means to pay back to patrons the amount of the margins distributed for the particular year(s) being retired.

Spring Grove Communications