

Capital Credits Escheatment

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GVEA

What is Escheatment and why do it?

- ❖ Escheatment is transferring ownership from abandoned co-op member's equity to the co-op permanent equity.
- ❖ Cleans up old accounts
 - GVEA has a 25 year retirement cycle (last normal retirement was 1992)
 - For Escheatment, we chose 1988 and earlier (30 years & older)
- ❖ Legality
 - Federal - 1995 Federal Uniform Unclaimed Property Act, retired capital credits are presumed abandoned if unclaimed by the owner within a period between one and seven years.
 - State - Alaska Statue (next slide)

Alaska Statute Sec. 34.45.200

(e) A distribution of net margins by a cooperative incorporated under AS 10.25 is presumed abandoned if the distribution remains unclaimed by the owner for more than one year after the date authorized for the distribution.

Notifications

1. Mail

- Notice to the last known address of the owner as shown on the cooperative records

2. Website

- Notice has to on homepage for 180 days
- Be prominent and link to list of people identified as escheatment candidates

3. Newspapers

- "Once a week for four consecutive weeks in a newspaper of general circulation in the judicial district where the cooperative is located"
- Must be at least 18 square inches in area
- Has to say "do we owe you money? unclaimed (name of cooperative) capital credits" in capital letters.

Cooperative Policy and GVEA's Scope

❖ Look at your own Bylaws and Policy for CC escheatment

- GVEA policy: presumed abandoned after 1 year if unclaimed
- May be reclaimed later
- GVEA's Policy 5.3 excerpt:

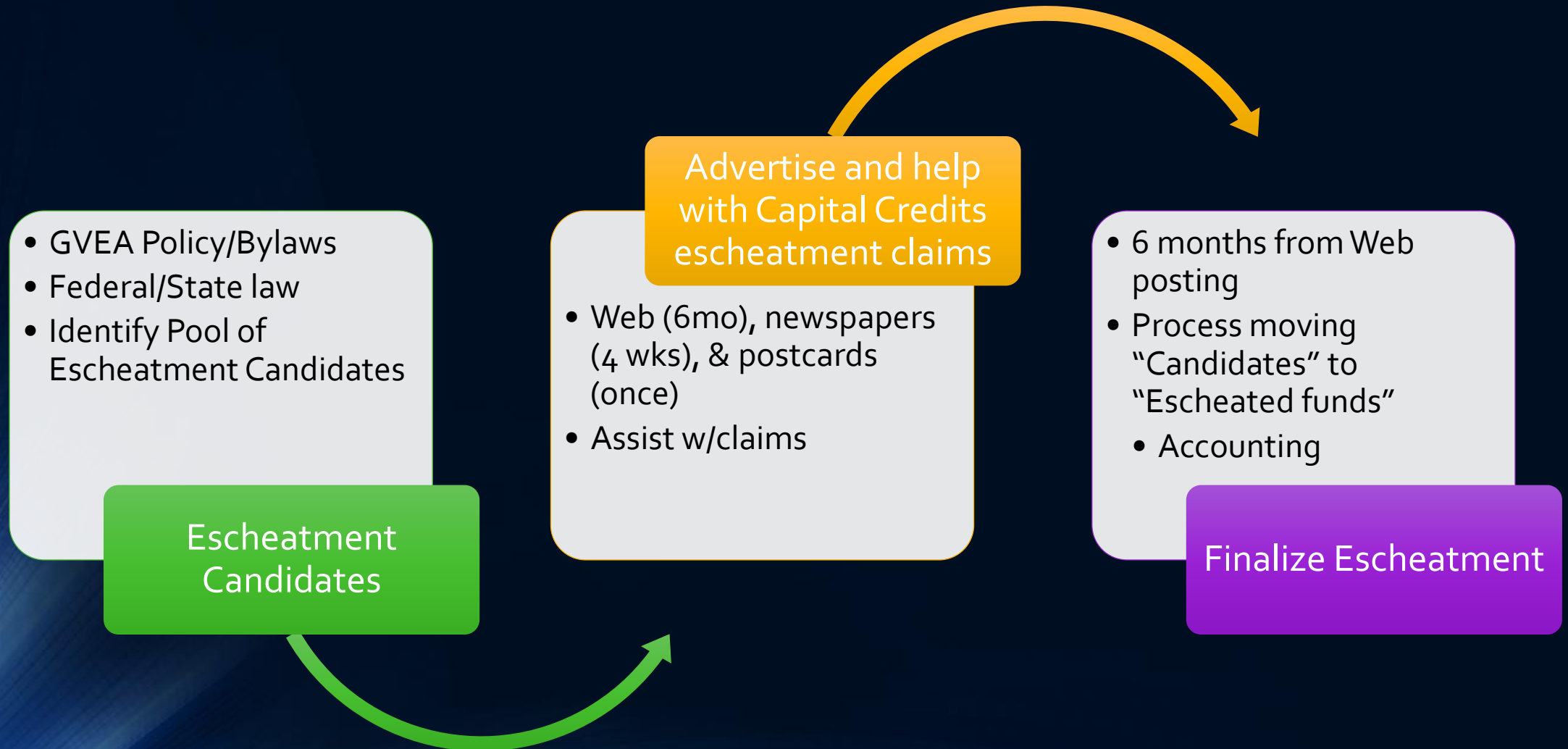
M. Unclaimed capital credits (returned and un-cashed checks) are abandoned if the member has not made claim to them within one year, provided GVEA has complied with the notice provisions in AS 34.45.200. Capital credits considered abandoned may be claimed upon presentation of documentation and proof to substantiate their claim to them.

Escheatment preparation

- ❖ Detail out process and requirements
 - Draft out timeline
 - Can involve many areas of the company
 - Public Relations, Accounting, Member Services
- ❖ GVEA parameters and scope
 - Target: 30+ years or older (1988 and older)
 - 5 years past current retirement
 - Member could have no accounts past 1988
 - Capital credit unpaid balances
 - Results = 33,193 “Escheatment Candidates”
 - Created system batch to flag each of these accounts
 - Many of these have no or unusable addresses



GVEA CC System Escheatment design

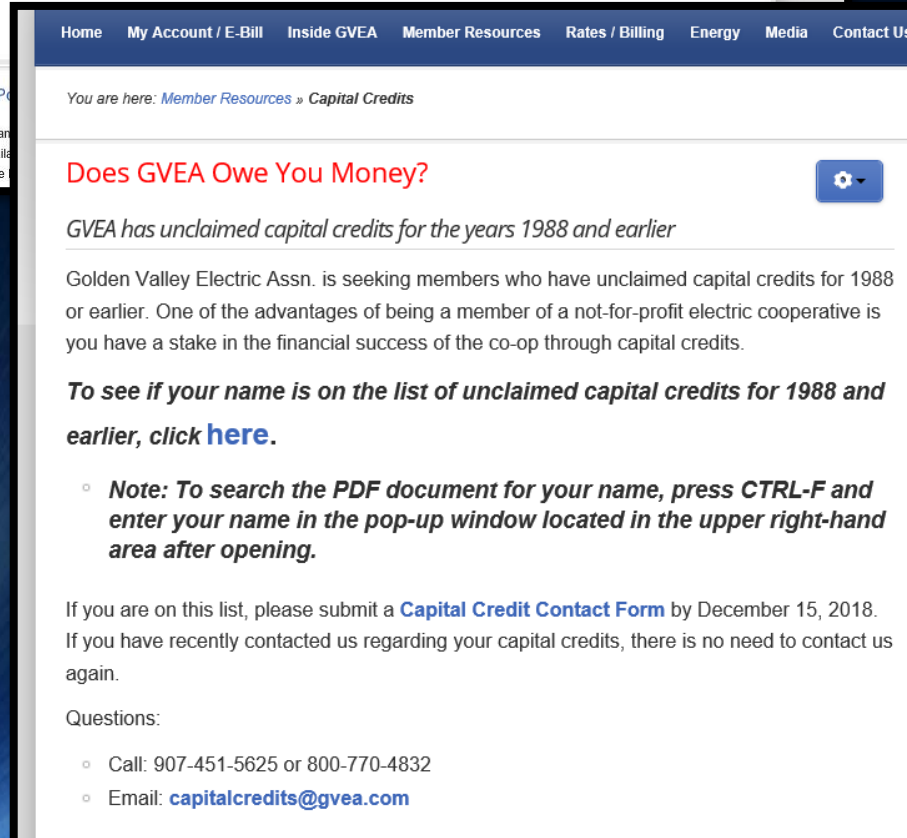




Notifications – Website

Website

- Notice has to on homepage for 180 days
- Be prominent and link to list of people identified as escheatment candidates



GVEA Capital Credits - Members 1988 and Prior			GVEA Golden Valley Electric Association
6, Versialles Builders	Ackerman, Dale or Deb	Adams, Mary J	
A, Beverly Grimes or Douglas	Ackerman, Hal	Adams, Michael W	
A, Douglas H Ketchum or Beverly	Ackerman, Jan	Adams, Michael W or Sandra	
Aarnink, John L	Ackerman, John J or Lisa R	Adams, Muriel or Jack	
Aaron, Bruce	Ackerman, Paula	Adams, Nanci	
Aaron, Michael or Shirle	Ackerman, Ronald C	Adams, Nancy E or David P	
Aase, Larry	Ackert, Bruce	Adams, Nancy J	
Aasland, Bonnie	Ackett, Betty J or David E	Adams, Nancy J Uhl or Nancy J	
Aasland, Sally	Ackett, David E or Julie L	Adams, Nathan L or Nadine M	
Abbey, Dennis J	Ackmann, Larry E	Adams, Patricia or Edral	
Abbey, Miriam	Acord, Ray	Adams, Paul G	
Abbey, Richard L	Acosta, Federico	Adams, Pete	
Abbott, Grant	Acosta, John V	Adams, Philip	
Abbott, Irving W	Acquisitions, North Star	Adams, Philip or Sharon	
Abbott, Irving W or B	Acreman, Morris	Adams, Richard	
Abbott, Joe C	Adair, Gary W	Adams, Richard R	
Abbott, Kenneth A	Adair, Janice or William H	Adams, Robert M	
Abbott, Linda	Adair, Robert	Adams, Sally	
Abbott, Melissa P	Adair, William H	Adams, Susan M	
Abbott, Richard or Deann	Adam, Christine J	Adams, Thomas J or Jennifer	
Abbott, Ruth	Adam, Janet R	Adams, Veronica	

Notifications - Newspapers

- Worked with GVEA Public Relations (PR) to develop newspaper Ad
- PR coordinated newspaper ads in both Fairbanks and Delta Junction
- Per State Law – “once a week for four consecutive weeks in a newspaper of general circulation in the judicial district where the cooperative is located”



Does GVEA Owe You Money?

GVEA is seeking members who have unclaimed capital credits for the years 1988 and earlier.

One of the advantages of being a member of a not-for-profit electric cooperative is you have a stake in the financial success of the co-op through Capital Credits.

Visit www.gvea.com/resources/capitalcredits to see if your name is on the list. If you are on this list, please submit a Capital Credit Contact Form by December 15, 2018.

Questions?
(907) 451-5625 or 800-770-4832
capitalcredits@gvea.com
www.gvea.com/resources/capitalcredits

GVEA
Golden Valley Electric Association
Your Touchstone Energy Cooperative

The advertisement features a graphic of a mailbox overflowing with US dollar bills, symbolizing unclaimed money. The GVEA logo at the bottom includes a stylized sunburst and the text 'Your Touchstone Energy Cooperative' with a small logo.

Notifications – Postcards

- Postcards are inexpensive and easy to design
- Printed and Mailed by 3rd Party after address validation

Golden Valley Electric Assn
Attn: Capital Credits
PO Box 71249
Fairbanks, AK 99707

PRESORTED
FIRST CLASS MAIL
PAID
DATABAR

3 1 AV 0.257 AUTO SCH 5-DIGIT 99701



00003
1 1

HELTON MARY
123 BRIDGET AVE # 4
FAIRBANKS AK 99701-1516

Golden Valley Electric Association Notice

**** Please disregard this postcard if your name is NOT on the front. ****

GVEA is seeking to contact members regarding unclaimed capital credits from 1988 and earlier. If your name is on the front of this postcard, please contact GVEA by Dec. 15, 2018 to claim your capital credits. After Dec. 15 they will revert to GVEA. Please disregard this postcard if your name is NOT on the front.

Call: GVEA Capital Credits (907) 451-4832 or (800) 770-4832

Email: capitacredits@gvea.com

Visit: www.gvea.com/resources/capitalcredits

Owned by those we serve



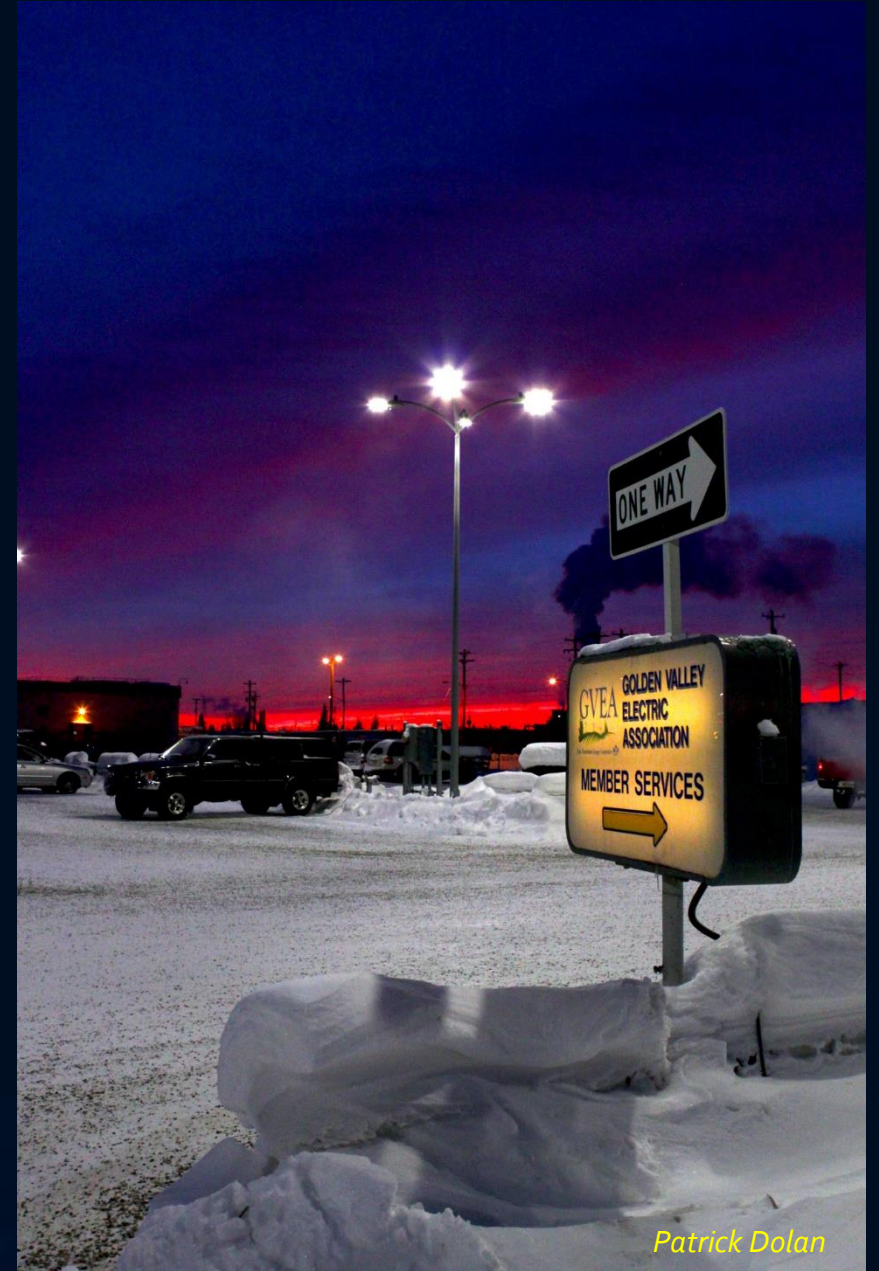
Results of Escheatment Process

Response

- Calls and in-Person visits much higher than expected for 1-2 months
- Updated data
- Old balances cleaned out
- Increased connection with membership

GVEA will evaluate process after December

- Frequency?
- What went right? wrong?



Patrick Dolan

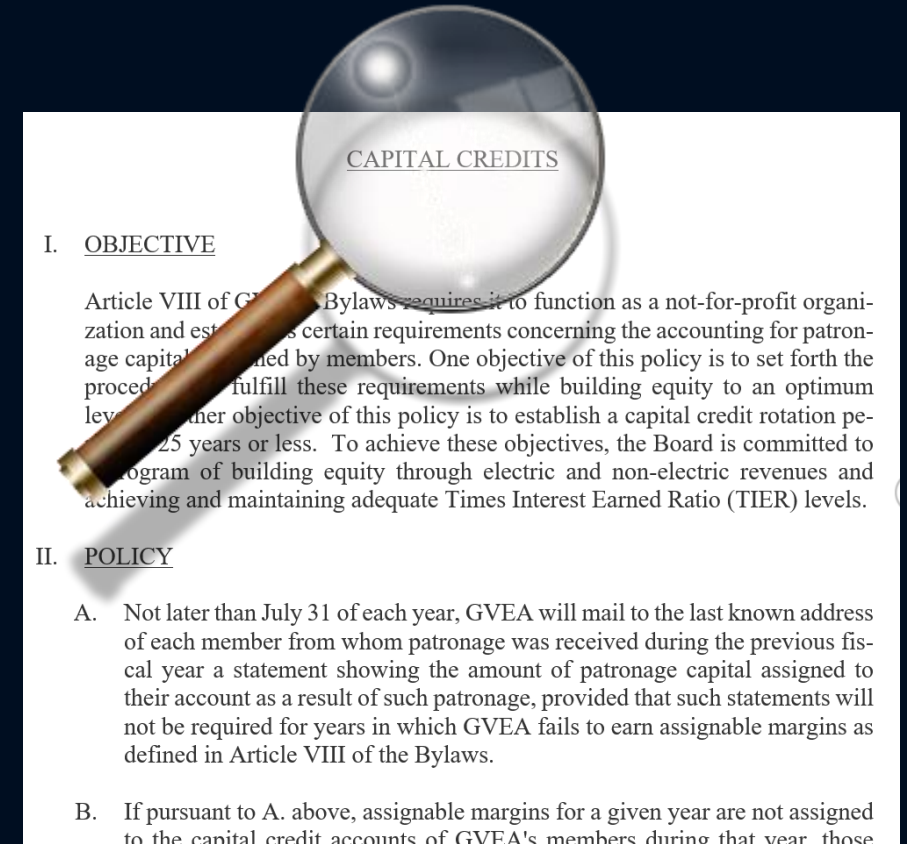
Final thoughts to consider ...

❖ Review your Capital Credits policy

- Normal Capital Credit Retirement cycle
- Provision for Escheatment
- Ability to revert back to member

❖ Cost of Escheatment

- Payroll time : Administration, Member research, web development
- Postage and advertising costs



Questions?



Patrick Dolan

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