

Valley Telephone Cooperative Capital Credits FAQ

Why am I receiving this capital credits? Valley Telephone Cooperative is a non-profit entity owned by the Cooperative members & patrons. In years when a profit is generated, those profits are recorded as equity on the financial statements and allocated to the members & patrons based on the amount of business, or patronage the member contributes to the Cooperative. The Cooperative utilizes the equity as necessary to fund current capital projects or to repay debts. Annually the Board of Directors reviews the financial condition of the Cooperative to determine whether a portion of the funds are no longer needed for those purposes. If deemed appropriate a portion of the funds are returned to the members & patrons in the form of a capital credit check or bill credit.

Can I cash out the remaining balance in one lump sum or apply it to my bill? No, Cooperative bylaws require your locally elected Board of Directors to determine the amount of retirement (cash back) each year, based on the financial condition of the Cooperative and other considerations.

Can I donate my remaining allocations to the Scholarship Foundation which is used for local scholarships and educational purposes? Yes. Contact us at 800-421-5711 or visit www.vtc.net/cooperative to get a copy of the donation form.

Are my capital credits taxable? We suggest you seek the advice of a tax professional for any tax related questions.

I moved and disconnected my service. Will I continue to get a Capital Credit Check? By keeping our office informed of any changes in your mailing address you can continue to receive capital credit checks until your allocated balance is exhausted. After 2 years undeliverable checks that have not been claimed are transferred to the Scholarship Foundation. Money transferred to the Scholarship Foundation is forfeited.

My spouse/relative is deceased and that is the name that is printed on the check. How do I get the check reprinted in my name? To claim a deceased relative's capital credits account and get a check reissued in the place of the person listed on the account you must provide legal documentation that proves you are entitled to the account. Such documentation usually includes a death certificate and a will or other document showing who has legal rights to estate assets. If there is no will and you are the sole heir to the estate, you can claim rights to the capital credit account by completing the affidavit form, which requires notarization, along with a copy of the death certificate. Contact us at 800-421-5711 or visit www.vtc.net/cooperative to get a copy of the affidavit form.