

**Policy Type: Executive Limitations**

**Policy Title: EL4 – Owner Rights and Responsibilities**

**Last Revised: September 1, 2013**

The General Manager shall not allow owners to be uninformed or misinformed of their rights and responsibilities.

The GM will not:

1. Create or implement a owner equity system without the following qualities:
  - a. The required owner equity, or fair share, is determined by the Board.
  - b. Owners are informed that equity investments are a) at risk, and b) generally refundable.
  - c. The Board retains the right to withhold refunds when necessary to protect the Cooperative's financial viability.
2. Implement a patronage refund system that does not
  - a. Comply with IRS regulations.
  - b. Allow the Board to examine a range of options and implications, so the Board can make a timely determination each year concerning how much, if any, of the Cooperative's net profit will be allocated and distributed to owners.