

**§1981. Accounting for earnings or losses**

**1. Internal accounts.** Any employee cooperative may establish in its articles of incorporation or bylaws a system of internal capital accounts to reflect the book value and to determine the redemption price of membership shares, capital stock and written notices of allocation.  
[PL 1983, c. 136 (NEW).]

**2. Redemption.** The articles of incorporation or bylaws of an employee cooperative may permit the periodic redemption of written notices of allocation and capital stock, and must provide for recall and redemption of the membership share upon termination of membership in the cooperative. No redemption may be made if such redemption would result in the liability of any director or officer of the employee cooperative under Title 13-C.  
[RR 2001, c. 2, Pt. B, §32 (COR); RR 2001, c. 2, Pt. B, §58 (AFF).]

**3. Interest.** The articles of incorporation or bylaws may provide for the employee cooperative to pay or credit interest on the balance in each member's internal capital account.  
[PL 1983, c. 136 (NEW).]

**4. Collective reserve account.** The articles of incorporation or bylaws may authorize assignment of a portion of retained net earnings and net losses to a collective reserve account. For purposes of this chapter, a collective reserve account means an unindividuated account on the corporate books representing the corporation's entire net book value minus balances in any other equity accounts. Earnings assigned to the collective reserve account may be used for any and all corporate purposes as determined by the board of directors.  
[PL 1983, c. 136 (NEW).]

**SECTION HISTORY**

PL 1983, c. 136 (NEW). RR 2001, c. 2, §B32 (COR). RR 2001, c. 2, §B58 (AFF).

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