



Annual SFC Member Dividend

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Overview

At the end of 2016, the members-owners of the Seattle Farm Coop [voted to transition from an upfront discount to a patronage dividend benefit structure.](#)

In 2017, similar to memberships at REI and Central Coop, you will now receive a patronage dividend in proportion to how much money you spend at a co-op when the coop has a net profit.

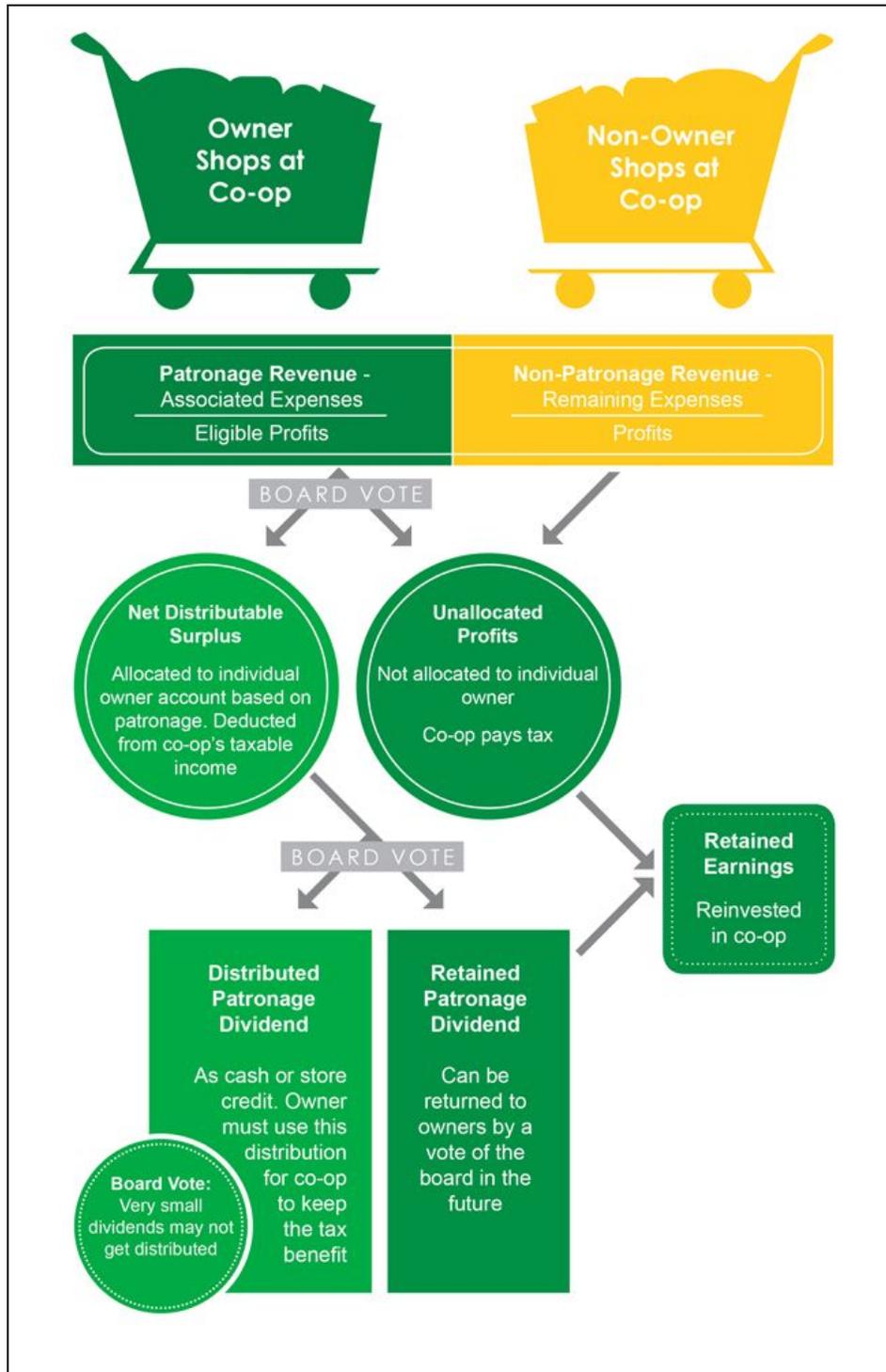
For example, if SFC made a 5 percent profit, up to 5 percent of your purchases may be refunded back. In years that the co-op does well, you, the owners, can share its success by getting a larger dividend. If the SFC has a poor year or has a need for reinvestment, you will receive less or no dividend, determined by a SFC Board vote.

Please note that the current **patronage dividend will be issued as store credit.**

If you have any comments or questions, please e-mail the Seattle Farm Coop Board at steering@seattlefarmcoop.com.

The [Central Coop in Capitol Hill](#) does a great job of illustrating its Patronage Dividend and have given us permission to reference their [Patronage Dividend](#) page.

Please note the SFC patronage dividend will be in the form of a store credit.



Sample SFC Dividend Calculation

	Low	Medium	High
\$ Spent Per Year	100.00	250.00	1,000.00
Projected Profit for SFC (Available for Dividend)	9,900.00	9,900.00	9,900.00
Total Co-op Sales	177,000.00	177,000.00	177,000.00
Net Profit %	5.6%	5.6%	5.6%
Board Voted Dividend %	5%	5%	5%
Total Amount Available for SFC Dividend	8,850.00	8,850.00	8,850.00
Expected Member Return	5.00	12.50	50.00
Current Discount	12.00	30.00	120.00
Expected Difference	-7.00	-17.50	-70.00

FAQS - SFC Annual Patronage Dividend

DEFINITION of 'Patronage Dividend' ([Investopedia](#))

A dividend or distribution that a co-operative pays to its members or investors. Patronage dividends are given based on a proportion of profit made by the business. Once this amount is figured out, the dividend is calculated according to how much each member has used the co-op's services. Tax rules view these profits essentially as an overcharge, which can be returned to patrons and deducted from the co-op's taxable income.

What influences the potential amount I will receive in Patronage Dividend?

Your dividend is tied to the amount of your eligible purchases and the financial success of SFC.

Eligible Purchases

- Paid in full members (50 or 25+volunteer)
- Only apply to full price items.
- Dividendable Purchases from SFC include:

- All eligible SFC merchandise purchases posted from January 1 through December 31, less any items returned for refund or credit.

Not Eligible Purchases

- Items on Sale
- Items bought with the patronage dividend
- Membership Buyin Fee
- Non-Coop member

Can I Donate My Annual Dividend?

Yes, you can donate your dividend credit towards one of our many Coop community projects. With each dividend communication, SFC will offer one or more projects to donate too with the total cost of the project and timeline.

When Do I Get My Member Dividend?

Annual Dividend notices are sent by March 1st of the year following accrual. The notices go out to all members who earned a dividend on eligible purchases.

How Can I Spend My Patronage Annual Dividend?

The SFC Patronage Annual Dividend is good for merchandise from the store or online immediately upon receipt of your Annual Dividend notice through its expiration date.

When Does My Annual Dividend Expire?

Your dividend expires one year from the date issued. The SFC team will communicate the pending expiration of the dividend at least once prior to expiration.

Why would the Co-op retain a percentage of the Patronage Dividend?

To ensure SFC can continue to meet the needs of the members and its mission, it must re-invest some of its profits back into the business.

How are my purchases recorded?

In order to record your purchase, the cashier asks for your member owner number before each transaction. All merchandise is entered through your member owner number and is recorded directly into Quickbooks.

Can I Receive My Annual Dividend In Cash?

No. At the current time, the SFC is only offering the patronage dividend in store credit. This may be changed by a member vote in the future.

How Do Returns Affect My Annual Dividend?

If the Annual Dividend has been issued (or is in the process of being calculated), then the dividend is deducted from the returned item.