

**501B.26 Distributions prohibited — compensation and other permitted payments.**

1. Except as otherwise provided in [subsection 2](#), an unincorporated nonprofit association may not pay dividends or make distributions to a member or manager.

2. An unincorporated nonprofit association may do any of the following:

a. Pay reasonable compensation or reimburse reasonable expenses to a member or manager for services rendered.

b. Confer benefits on a member or manager in conformity with its nonprofit purposes.

c. Repurchase a membership and repay a capital contribution made by a member to the extent authorized by its governing principles.

d. Make distributions of property to members upon winding up and termination to the extent permitted by [section 501B.29](#).

[2010 Acts, ch 1112, §26, 33](#)

Referred to in [§501B.30](#)