

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](#)