



**WHY YOUR STATE SHOULD ADOPT THE
UNIFORM UNINCORPORATED NONPROFIT ASSOCIATION ACT (2008)
(AMENDED IN 2011)**

The Uniform Law Commission created the Uniform Unincorporated Nonprofit Association Act (UUNAA) to govern all unincorporated nonprofit associations that form or operate in a state that adopts the Act. UUNAA was extensively revised in 2008, and is often called the “Revised Uniform Unincorporated Nonprofit Association Act.” The 2011 amendments improve upon the 2008 changes by harmonizing the Act’s language with similar provisions in the other uniform unincorporated entity acts. States should enact the amended UUNAA for the following reasons:

- ***UUNAA modernizes this area of the law.*** Most states do not have modern comprehensive governing statutes for unincorporated nonprofit associations. Many existing state laws are based on the common law aggregate theory, which is no longer suitable for organizations.
- ***UUNAA clarifies an unincorporated nonprofit association is a separate legal entity.*** Under UUNAA, an unincorporated nonprofit association can own and convey interests in property and can sue and be sued in its own name.
- ***UUNAA provides personal liability protection to members and managers.*** The updated UUNAA provides members and managers of an unincorporated nonprofit association the same personal liability protection a corporation offers. This liability protection comports with the reasonable expectations of creditors and other persons engaged in transactions with these associations.
- ***UUNAA provides default governance rules.*** A majority of unincorporated nonprofit associations operate on an informal basis. The Act provides a default set of voting and other governance rules that will apply, unless the association has established practices or agreements to the contrary. The Act also provides default rules for member admittance, member and manager duties and liabilities, rights to reimbursement, etc.
- ***UUNAA contains provisions for winding up, dissolving, and merging.*** These provisions track the procedures in corporate merger statutes. There are special provisions protecting property held for a charitable purpose or subject to trust obligations held by one of the constituent organizations in the merger.

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