The Typical Non-Profit Organizational Structure

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Governance

Nonprofits are governed by the board of directors. The size of the board of directors can vary from three to more than 50. Each state has rules that set the minimum size of the board but the exact size of the board and the number of times that it meets each year changes from one organization to another, depending on the needs
of the organization. Board members of nonprofits are generally not paid, but they may receive any compensation that is allowed by the organization's bylaws. The board is accountable for the policies of the organization and is given powers by the organizations' Articles of Incorporation. The board's work is coordinated by the chair and the board may organize itself into various committees responsible for carrying out different operations.

**Administration**

The administration is made up of the staff that oversee all programs. Nonprofit administration usually includes an executive director, or president, and office personnel. The executive director is responsible for liaising with the board and for carrying out their instructions, as well as for overseeing the people who run the programs of the nonprofit. According to a study by Texas-based consultant Convio, this type of centralized structure is the most successful for nonprofits.

**Programs**

Most nonprofits are founded to carry out certain specific types of work, for example, running a homeless shelter or raising money to provide clean drinking water in developing countries. The organization is structured into various program areas to carry out this work and achieve its goals. Each program area may then have its own department head, or assistant director. Typical program areas may include fund-raising, operations, development, human resources, volunteer coordinator, marketing, or publicity and planning. The program heads report to the chief executive and may have any number of staff members under them.

**Unique Management Areas**

Nonprofits typically have several types of management areas that may not exist in for-profit companies. These may include fundraising and grant writing, volunteer programs and public policy. Some of these areas, such as fundraising, may be handled by the executive director, or an entire department, headed by an assistant director. Some nonprofit organizations may also have a program director, or assistant director, in charge of ensuring the organization is meeting ethical requirements set out in its bylaws and is liaising with the local community.

**State Rules**

Many states have rules governing the structure of nonprofits. These generally have to do with the number of directors who sit on the board. For example, in Texas, the Business Organizations Code requires nonprofit organizations to have at least three directors, one president and one secretary. It also states that the same person cannot be the president and secretary. Officers and directors must also be natural persons and not corporations. California only requires nonprofits to have one director although it is quite common for organizations in the state to have three or more directors.