NONPROFITS: GOVERNANCE

Who's the Boss? Untangling the Confusion Around Nonprofit Corporate Officer Roles

07.07.25 | May L. Harris, Esq., MA



Still calling your nonprofit's top leader the "Executive Director" when your bylaws say "President"? Let's clear up the confusion around nonprofit officer titles — and why it matters more than you think.

Let's be honest: nonprofit job titles can feel like alphabet soup.

We've seen everything… Executive Director, CEO, President, Managing Director, Grand Poobah (okay, maybe not that last one, but give it time). While it might seem like a matter of personal preference or branding flair, these titles can have very real (and very legal) implications.

This isn't just a paperwork problem. It's a governance issue. And when roles aren't clearly defined or consistently applied, things can go sideways fast, especially when regulators, funders, or your own board come calling.

So let's break it down.

What's in a Title? (Actually, Quite a Bit)

Here's where things get tangled: there's a big difference between *job titles* and *corporate officer roles*. Your org might call someone the Executive Director because that's what "every other nonprofit does." But if your bylaws say the *President* is the one in charge, and no one's officially wearing that hat, you could be inviting confusion (or worse).

So let's define the two camps:

- **Corporate Officers** are the roles your nonprofit is *required* to have under state law, which are usually President, Secretary, and Treasurer. These are official positions with legal responsibilities, often set out in your bylaws and required by your state's nonprofit corporation statutes.
- **Job Titles** like CEO, Executive Director, or Head of Awesomeness? Totally up to you. These describe someone's function or internal role, but they don't carry automatic legal weight.

Where the trouble starts is when these two things don't match, ***or worse,*** contradict each other.

The Usual Suspects: Nonprofit Officer Roles

Most state laws (including California's) expect your nonprofit to name at least three corporate officers:

- **President** – A Corporation must appoint a President, who often serves as the nonprofit's chief executive officer (yes, legally). Has general supervision over the corporation's affairs. Sometimes this person is a board member, sometimes staff, well, it depends.
- **Secretary** – Keeps board minutes, handles official records, and makes sure your ducks are in a row when it comes to compliance.
- **Treasurer** – Oversees finances, prepares reports, and often plays a key role in budgeting and fiscal accountability.

Some nonprofits have more than three officers, but you must have at least these, and yes, one person *can* wear more than one hat (with some limits — typically, the President can't also serve as Secretary or Treasurer).

Executive Director? CEO? President? Help!

Let's dig into the title tangle that causes the most confusion, and the most headaches.

The top staff leader of a nonprofit is often called the *Executive Director* (ED). It's a familiar, nonprofit-y title that shows up on business cards, LinkedIn profiles, org charts, and IRS Form 990s. In some cases, you'll see *CEO* instead, usually in larger nonprofits or those that want to mirror a for-profit structure. Sometimes, the *President* is used to mean "the person in charge." And in rare but chaotic cases, all three titles are floating around, often referring to the same person.

Here's the problem: while *Executive Director* and *CEO* are job titles that describe an employee's role within the organization, *President* is often a legally required corporate officer title under state nonprofit corporation law.

So what happens when:

- Your **ED** is running the organization but hasn't been formally appointed as the **President** under your bylaws?
- Your **Board President** is also listed as the **President** in state filings… but is a volunteer who doesn't handle day-to-day operations?

- Your org files IRS Form 990 listing your **CEO** as "Principal Officer," but your bylaws aresilent on whether that title even exists?

That's a legal gray area. And gray areas make auditors, regulators, and bank compliance officers very nervous.

Let's unpack it a bit more.

Scenario 1: ED in Practice, President on Paper (But Not Really)
This is the most common setup we see:

- The nonprofit has a staff leader called *Executive Director*.
- The Board elects a *President*, usually a board member, and often the Chair.
- The bylaws say the *President* is the "chief executive officer" of the corporation.

Problem? The Executive Director is actually functioning as the CEO, they manage staff, sign contracts, and make executive decisions. But unless your bylaws or board resolutions specifically designate the ED as President or CEO, they technically don't have the legal authority to do many of the things they're doing.

This creates:

- Risk of unenforceable contracts (if signed by the "wrong" officer)
- Confusion in board oversight and accountability
- Potential issues with state and federal filings

Solution: Amend your bylaws to clarify that the *Executive Director* is also the *President* (or designate the ED as the *CEO* and assign them executive authority). Then have the board formally appoint them to that role.

Scenario 2: CEO by Branding, But No Legal Authority
Some nonprofits go the opposite direction. They elevate the title from ED to *CEO* because it sounds more modern, impressive, or funder-friendly.

But unless the board formally appoints the individual as *President* or *Chief Executive Officer* in the board minutes, and the bylaws give that role the proper authority, it's still just a label.

Example:
Your CEO signs a major vendor contract. The contract is later disputed. The vendor's attorney asks for documentation that this person had signing authority. But your bylaws say only the *President* or a board-appointed officer can sign on behalf of the organization, and no such resolution exists.

Now you've got a problem.

Scenario 3: One Title, Two People
This one's tricky. Sometimes the *President* title is used in two places: once for the Board Chair (*President of the Board*) and once for the chief executive (*President of the Organization*). Unless your bylaws draw a clear line, this can result in:

- Misunderstood reporting relationships
- Duplication (or omission) of legal authority

- Public miscommunication, i.e., who's really "the President"?

Pro tip: Always specify whether "President" refers to the chief staff officer or the Board Chair, and consider using different titles for clarity (e.g., Board Chair and President/CEO).

The IRS Perspective (Yes, This Matters on Form 990)

When you file your Form 990, the IRS wants to know who your *Principal Officer* is. That person should be the one actually running the show, not a ceremonial board officer.

So if your ED or CEO is the one managing operations, supervising staff, signing major agreements, and overseeing programs, they should be the one listed as the Principal Officer on the 990. But again, that only works if they've been properly appointed to a corresponding legal role (like President or CEO) in your records.

Five Sanity-Saving Steps to Get It Right

Here's what you can do today to start clearing up the confusion:

- **Start with your bylaws.** They're the rulebook. See what officer titles are required and how they're supposed to be filled. If it's out of sync with your org's actual structure, it's time to amend.
- **Map roles to titles.** Make sure the *actual* job someone is doing lines up with the *legal* title they hold. If your Executive Director is acting as President, then elect them to that role officially.
- **Be consistent across the board (pun intended).** Whatever titles you use, use them the same way on your website, your tax forms, your board minutes, your banking records —> everywhere.
- **Don't assume. Document.** Officer elections should be recorded in board minutes, and transitions should be crystal clear. That includes resignations and reappointments.
- **Educate your team.** Many board members (and even nonprofit staff) don't realize there's a legal side to officer roles. A quick orientation can go a long way toward clarity and compliance.

Final Thought: Clarity is Kindness (and Compliance)

This might sound like nonprofit inside baseball, but getting your titles and roles aligned is more than just a technical fix. It shows your board, your staff, and your community that you take governance seriously. And that inspires confidence from funders, regulators, and anyone who's putting their trust in your organization.

Need a Bylaws Refresh? Or Just a Sanity Check?

We help nonprofits of all shapes and sizes make sense of their leadership structure, ensure compliance with state law, and align their internal roles with external reality.

If your org's titles are starting to look like a bowl of spaghetti, give us a call. We're happy to help you untangle it.