

# ORGANIZATIONAL STRUCTURES OF THIRD SECTOR ENTITIES

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## Abstract

The study analyzes the internal organizational structures of third sector entities and compares them with those of commercial enterprises. First of all, a definition of the third sector is given based on the North American and European models. After that, the organic regulations governing non-profit organizations in some countries such as Poland, Ireland, Spain, and Germany are analyzed. In light of this international framework, the study refers to the regulations contained in the Italian Third Sector Code (Legislative Decree 117/2017). This regulation brings the discipline of the internal structure of non-profit entities closer to that of profit-making entities. Also, in the interpretation, some management issues of third sector associations are resolved through references to the Civil Code regulations. In particular, the study deals with two fundamental issues concerning the functioning of the administration body addressed by the Italian Ministry of Labour and Social Policies: the first is the institution of co-optation, which aims to compensate for the forfeiture of some of the members of the management body, and its applicability to third sector entities; the second is the possibility of providing for a monocratic administration body within third sector associations. The process of professionalization of third sector organizations reaches its culmination in the liability regime of administrators: the new third sector code refers to the rules concerning corporations and parameters of the diligence required of managers according to the nature of the office to the specific skills possessed by

those holding the office. In conclusion, the study highlights the similarities between the internal structure of commercial companies and third sector entities: the organs of commercial companies can be transposed to non-profit entities, provided that they do not betray their social function.

The next few pages will be devoted to an analysis of some regulatory references to corporate law that have been included within Legislative Decree 117/2017. Next, two corporate institutions will be identified that are applied to third sector associations through the general referral in Article 3(2) of Legislative Decree 117/2017. Finally, through the analysis of the differences in the liability regime of the management body between the First Book and Legislative Decree 117/2017, the reasonableness of applying the rules of Book V of the Civil Code to non-profit entities will be highlighted.

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