

# Succession Plan

## Leadership Development and Emergency Succession Plan

### 1. Rationale

The executive director position in a nonprofit organization is a central element in the organization's success. Therefore, insuring that the functions of the executive director are well understood and even shared among senior staff and volunteer leaders is important for safeguarding the organization against unplanned and unexpected change. This kind of risk management is equally helpful in facilitating a smooth leadership transition when it is predictable and planned.

This document outlines a leadership development and emergency succession plan for \_\_\_\_\_. This plan reflects the commitment to sustaining a healthy functioning organization. The purpose of this plan is to insure that the organization's leadership has adequate information and a strategy to effectively manage \_\_\_\_\_ in the event the executive director is unable to fulfill her duties.

### 2. Plan Implementation

The Board of Directors authorizes the Board Chair to implement the terms of this emergency succession plan in the event of a planned or unplanned temporary or short-term absence.

- It is the responsibility of the Executive Director to inform the Board of Directors of a planned temporary or short-term absence, and to plan accordingly.
- Should the Executive Director not be available or capable, it is the responsibility of the Director of Service Coordination to immediately inform the Board Chair of an unplanned temporary or short-term absence of the Executive Director.
- As soon as feasible, following notification of an unplanned temporary or short-term absence, the Board President shall convene an Executive Committee meeting to affirm the procedures prescribed in this plan, or to modify them if needed.

### 3. Priority Functions of the Executive Director of \_\_\_\_\_:

The Executive Director Position description is attached to this plan. Among the duties listed in the position description, the following are considered to be the key functions of the Executive Director and have a corresponding temporary staffing strategy.

| <b>Key Executive Director Functions</b>                   | <b>Temporary Staffing Strategy</b>  |
|---|---|
| Leadership and Vision                                     | Board Chair with Senior Management Staff  |
| Board Administration and Support                          | Board Chair, Board Secretary, Development Director and Office and Finance Manager                                 |
| Services and Programs                                     | Senior Management Staff (Director of Service Coordination, Medical Director, and Training and Education Director) |
| Human Resource Functions (hiring, evaluation, discipline) | Board Chair with Senior Management Staff and Office and Finance Manager   |
| Financial Management (Payables, Receivables, Payroll)     | Board Chair, Board Treasurer and Office and Finance Manager   |
| Community Spokesperson                                    | Board President and/or his/her designee   |

The positions assigned in the Temporary Staffing Strategy are based on \_\_\_\_\_'s organization structure as of January 2011. In the event this plan is implemented and assigned positions are vacant or no longer available, the Board Chair shall select other senior staff to support each of the key executive director functions.

#### **4. Succession plan in the event of a temporary, planned or unplanned absence - Short-Term**

##### **a. Definitions**

- A temporary absence is one in which it is expected that the Executive Director will return once the events precipitating the absence are resolved.
- An unplanned absence is one that arises unexpectedly, in contrast to a planned leave such as vacation or a sabbatical.
- A temporary absence is 30 days or less.
- A temporary short-term absence is between 30 and 90 days.

##### **b. Temporary Staffing Strategy**

- For temporary planned or unplanned absences of 30 or fewer days, the Temporary Staffing Strategy described above may become effective.
- In the event of a temporary short-term planned or unplanned absence, the Executive Committee shall determine if the Temporary Staffing Strategy is sufficient for this period of time.

##### **c. Appointing an Acting Executive Director**

- Based on the anticipated duration of the absence, the anticipated return date, and accessibility of the current executive director, the Executive Committee may appoint an Acting Executive Director, as well as continue to implement the Temporary Staffing Strategy.

##### **d. Cross-Training Plan**

- The Executive Director shall develop a training plan for each Director-level position for each of the key functions of the Executive Director listed in Section 3

**e. Authority and Restrictions of the Acting Executive Director**

- The Acting Executive Director shall have full authority for day-to-day decision making and independent action as the regular Executive Director.
- Decisions that shall be made in consultation with the Board Chair and/or Executive Committee include staff hiring and terminations, financial issues, taking on a new project, and taking public policy positions on behalf of the organization.

**f. Compensation**

- Director-level staff appointed as Acting Executive Director may receive an end of year bonus or additional benefit. This shall be determined by the Executive Committee based on the duration of the assignment and available resources.
- If staff serves as Acting Executive Director for 6 months or more, the Executive Committee may consider a salary adjustment.
- A current or former board member appointed as Acting Director may enter into an independent contractor agreement, depending on the circumstances of their availability.

**g. Board Oversight and Support to the Acting Executive Director**

- The Acting Executive Director reports to the Board Chair. In the event the Board Chair becomes the Acting Executive Director, the Vice President shall be appointed Board Chair.
- The Executive Committee shall be alert to the special support needs of the Acting Executive Director in this temporary role. The Executive Committee shall convene monthly when an Acting Executive Director is appointed.

**h. Communications Plan**

- Within 48 hours after an Acting Executive Director is appointed, the Board Chair and the Acting Executive Director shall meet to develop a communications plan including the kind of information that will be shared and with whom.
- The following chart identifies key supporters and a primary contact to facilitate communication. As soon as possible, the Board Chair and Acting Executive Director shall implement the communications plan to announce the organization's temporary leadership structure to staff, the Board of Directors, and key supporters. Updated contact information shall be maintained in the organization's database with the following designations:
  - Key Contact List
  - Past Board Officers/Members List
  - Foundation CEOs and Members
  - Other Organization Contacts

## Key Supporters Communication Responsibility

| COMMUNICATION               | PERSON RESPONSIBLE   |
|-----------------------------|--|
| Civic and Nonprofit Leaders | Director of Service Coordination with designated Board Members   |
| Government Leaders          | Board Members  |
| Foundation Program Officers | Development Director with designated Board Members   |
| Major Donors                | Development Director with designated Board Members responsible for phone call to top 10 followed by a letter to all donors |
| Partner Agencies            | Director of Service Coordination with designated Board Members with Staff create   |
| Auditor                     | Board Chair  |
| Banking Institution         | Board Chair  |
| Insurance Agent             | Board Chair  |

### 5. Succession plan in the event of a temporary, unplanned absence – Long-term

#### a. Definition

- A long-term absence is 90 days or more.

#### b. Procedures

- Procedures and conditions to be followed shall be the same as for a temporary short term absence with the following addition:
  - The Executive Committee shall give immediate consideration, in consultation with the Acting Executive Director, to temporarily filling the management position left vacant by the Acting Executive Director, or reassigning priority responsibilities where help is needed to other staff. This is in recognition that, for a term of 90 days or more, it may not be reasonable to expect the Acting Director to carry the duties of both positions.
  - The Board Chair and Executive Committee are responsible for gathering input from staff and reviewing the performance of the Acting Executive Director according to the organization's Performance Review Policy. A review shall be completed between 30 and 45 days.

### 6. Succession plan in the event of a PERMANENT unplanned absence.

#### a. Definition

A permanent absence is one in which it is firmly determined that the Executive Director will not be returning to the position.

## **b. Procedures**

- Procedures and conditions to be followed shall be the same as for a temporary short term absence with the following additions:
  - The Board of Directors shall consider the need to hire an Interim Executive Director from outside the organization instead of appointing an Acting Executive Director. This decision shall be guided, in part, by internal candidates for the Executive Director position, the expected time frame for hiring a permanent executive, and the management needs of the organization at the time of the transition.
  - The Board of Directors shall appoint a Transition Committee to implement the organization's Executive Succession Policy to transition to a new permanent executive director.

## **c. Hiring an Interim Executive Director**

- If an Interim Executive Director is hired, the Board Chair and Executive Committee shall negotiate an independent contractor agreement with a defined scope of work. The scope of the agreement with an Interim Executive Director shall be determined based on an assessment of the organization's needs at the time of the leadership transition.

## **d. Responsibilities of the Interim Executive Director**

- An Interim Executive Director shall have full authority for day-to-day decision making and independent action as the regular Executive Director.
- Decisions that shall be made in consultation with the Board Chair and/or Executive Committee include staff hiring and terminations, financial issues, taking on a new project, and taking policy positions on behalf of the organization.
- For additional communication guidelines, refer to the organization's operating policies on transitions.

## **e. Board Oversight and Support to the Interim Executive Director**

- The Interim Executive Director reports to the Board Chair.
- The Executive Committee shall be alert to the special support needs of the Interim Executive Director in this temporary role. The Executive Committee shall convene monthly when an Interim Executive Director is hired.
- The Board Chair and Executive Committee are responsible for gathering input from staff and reviewing the performance of the Interim Executive Director according to the organization's Performance Review Policy. An initial review shall be completed between 30 and 45 days and 90 days thereafter.

## 7. Approvals and maintenance of record

### a. Emergency Succession Plan Approval

- This emergency succession plan shall be approved initially by the Board of Directors.
- Thereafter, annually, the Executive Committee shall review the plan and recommend amendments to the full Board as needed.

### b. Signatories

- The Board Chair, the Executive Director, and the appointees designated in the Emergency Succession Plan shall sign the plan.
- At all times the Board Chair and Treasurer and at least two Director-level staff, in addition to the Executive Director, shall have signature authorization for checks and contracts for the organization.

### c. Maintenance or record

- Copies of this plan shall be maintained by members of the Board of Directors, Director-level staff and the organization's auditor in accordance with document retention requirements.

### d. Financial Considerations

- It shall be the responsibility of the Executive Committee to review the organization's finances during an unplanned absence of the Executive Director.
- \_\_\_\_\_ maintains an operating reserve that the Board Chair is authorized to access with Executive Committee approval.

In addition to the Executive Director's office, the following documents are on file in the following locations.

|  |   |
|--|---|
| Bank listing, account numbers and check signers                            | Office and Finance Manager and the Agency Accountant                |
| Payroll Processing forms, Direct Deposit Procedures and Approval Processes | Office and Finance Manager, Agency Accountant                       |
| Employee Benefits, Health Insurance, Paid Time Off Balances                | Office and Finance Manager and the Agency Accountant                |
| Computer Passwords and Security Codes                                      | Office and Finance Manager and _____ Computer Solutions             |
| Email Passwords and Management   | Office and Finance Manager and _____                                |
| Building Security and Master Keys  | Office and Finance Manager, _____ Security, and _____ Hardware      |
| Annual Audit and Agency 990  | Office and Finance Manager, Agency Accountant and _____ Auditors    |
| 501-c3 Letter of Determination   | Office and Finance Manager, Development Director and _____ Auditors |
| Agency Insurance Documents and Policies                                    | Office and Finance Manager and _____ Insurance Company              |