

## *Sample Executive Succession Plan Policy*

### *Policy Statement:*

A change in executive leadership is inevitable for all organizations and can be a very challenging time. Therefore, it is the policy of the [ORGANIZATION] to be prepared for an eventual permanent change in leadership – either planned or unplanned – to insure the stability and accountability of the organization until such time as new permanent leadership is identified. The board of directors shall be responsible for implementing this policy and its related procedures.

It is also the policy of the board to assess the permanent leadership needs of the organization to help insure the selection of a qualified and capable leader who is representative of the community, a good fit for the organization's mission, vision, values, goals and objectives, and who has the necessary skills for the organization. To insure the organization's operations are not interrupted while the board of directors assesses the leadership needs and recruits a permanent executive officer, the board will appoint interim executive leadership as described below. The interim chief executive officer shall ensure that the organization continues to operate without disruption and that all organizational commitments previously made are adequately executed, including but not limited to, loans approved, reports due, contracts, licenses, certifications, memberships, obligations to lenders or investors of the [ORGANIZATION], and others.

It is also the policy of the [ORGANIZATION], to develop a diverse pool of candidates and consider at least three finalist candidates for its permanent CEO position. The [ORGANIZATION], shall implement an external recruitment and selection process, while at the same time encouraging the professional development and advancement of current employees. The interim CEO and any other interested internal candidates are encouraged to submit their qualifications for review and consideration by the transition committee according to the guidelines established for the search and recruitment process.

### *Procedures for Succession:*

For a temporary change in executive leadership (i.e., illness or leave of absence) refer to the organization's Personnel Guidebook. In the event the chief executive officer (CEO) of the [ORGANIZATION], is no longer able to serve in this position (i.e., leaves the position permanently), the executive committee of the board of directors shall do the following:

1. Within 5 business days appoint an interim CEO according to the following line of succession:
  - a. chief operating officer (COO) of [ORGANIZATION]
  - b. senior vice president of the parent affiliate of the [ORGANIZATION]
  - c. external consultant (with experience as an interim executive director)
2. Within 15 business days appoint an executive transition committee, in the event that a permanent change in leadership is required. This committee shall be

comprised of at least one member of the executive committee and two members of the board of directors. It shall be the responsibility of this committee to implement the following preliminary transition plan:

- a. Communicate with key stakeholders regarding actions taken by the board in naming an interim successor, appointing a transition committee, and implementing the succession policy. The organization shall maintain a current list of key stakeholders who must be contacted, such as lenders and investors of the [ORGANIZATION], foundations, government agencies, and other.
- b. Consider the need for consulting assistance (i.e., transition management or executive search consultant) based on the circumstances of the transition.
- c. Review the organization's business plan and conduct a brief assessment of organizational strengths, weaknesses, opportunities and threats to identify priority issues that may need to be addressed during the transition process and to identify attributes and characteristics that are important to consider in the selection of the next permanent leader.
- d. Establish a time frame and plan for the recruitment and selection process.
- e. Refer to the CEO Hiring Policy and Procedures in the Personnel Guidebook for additional procedures.