



PREPARING FOR YOUR COMMUNITY ACTION AGENCY'S FUTURE: Sustainability, Succession & Transition



PART 2
Executive
Succession
Planning
Guide

Preparing for Your Community Action Agency's Future: Sustainability, Succession and Transition

September, 2012

This document is intended for use of Community Action Agencies and other CSBG Eligible Entities within the Community Services Block Grant (CSBG) Network.

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Background about the series

The three guides in the Community Action Partnership Sustainability Toolkit were written specifically with Community Action in mind. These guides were designed to help Community Action Agency (CAA) leaders strengthen the capacity of their organizations, especially those organizations that may be facing a chief executive or other leadership transition in the near future.

The first guide, *Organizational Sustainability Planning*, is a tool for assessing and strengthening the four areas critical to the organization's long-term sustainability by conducting an organizational sustainability assessment and using the results of the assessment to develop an organizational sustainability action plan.

The second guide, *Executive Succession Planning*, provides an overview of three approaches to succession planning and presents a detailed approach for developing “succession essentials,” a board-adopted succession policy for the chief executive position and a companion emergency backup plan for the CEO position, but it can be adapted to other staff leadership positions as well.

The third guide, *Executive Transition Management*, presents a three-phase approach for managing turnover in a leadership position, especially the agency chief executive position.

While each of the guides can be used individually, together they are designed to help leaders strengthen their organizations and manage leadership turnover, especially important for agencies that have a long-term or founder chief executive in place. Quite often long tenured executives leave “big shoes” to fill, and careful planning for their succession is paramount.

The timing of the Executive Director/CEOs departure can be a guiding factor in the choice of which tool to use. In CAAs where the executive has no intention of leaving soon, or where retirement may be three or more years off, the *Organizational Sustainability Guide* can be an excellent tool for strengthening the organization, ensuring that when the transition occurs, there is a strong team in place with a clear plan for the future, solid systems and resources, and a resilient culture.

In agencies where the transition is two or more years away, the “succession essentials” in the *Succession Planning Guide* can help the leadership understand more deeply the role of the chief executive and develop the tools, principles and understanding for how to best manage that transition when it does occur. Moreover, development of the emergency backup plan ensures that the organization has a plan in place if something unforeseen were to happen to the incumbent executive. More importantly, the development of that backup plan provides a deep exploration of the chief executive role, and the sense of bench depth in the agency to back him or her up.

In situations where the transition is imminent – within the next 18 months or less – the *Executive Transition Management Guide* provides a well-tested framework for managing the entire transition process, including the search.

What is succession planning?

Succession planning can mean different things to different people, but generally it has to do with plans that help organizations sustain effective leadership over time. A typical definition of succession planning is: *A systematic process for ensuring leadership availability, continuity and appropriate development of an organization's leadership talent.* Let's look at the keywords in this definition:

- **Systematic** – there's a proactive process in place that frames the organization's approach to succession planning.
- **Availability** – the process ensures that the appropriate people are available for the critical leadership positions in the organization, whether those people are the incumbents, someone who's ready to step in an acting capacity, or successors to be tapped when a transition does occur.
- **Continuity** – attention is paid to leadership continuity, which involves having people who are cross trained for different positions and are ready to step in for a colleague on an emergency basis.
- **Appropriate development** – there's some focus on staff and leader development in the organization, that is appropriate to the size, scale and resources of the organization.

Why plan for succession?

Succession planning conversations can be critical to the future sustainability of the organization, yet these are usually difficult conversations to have. Boards are often reluctant to bring the topic up for fear of sending the wrong signal to the chief executive. Chief executives, on the other hand, often avoid the topic because they fear the potential impact – that it sends a signal that they are looking for a different job, or the board might try to push them out, or they fear becoming a lame duck. The net result is that both sides avoid the topic and miss the opportunity to sustain the mission work of the organization, which is the real, true promise of succession planning.

Succession planning has many benefits. First of all, it gets us beyond an ugly truth that we typically avoid: *All careers end in a transition, eventually. It's just a question of when, how, and how well the transition is managed.* Here are some of the benefits that can be gained from succession planning:

Helps ensure organizational sustainability – succession planning results in a deeper understanding of an individual executive's role and responsibilities, and can open up the dialogue about bench depth within the organization, all of which furthers the organization's sustainability.

Helps mitigate risk – emergency backup plans ensure that there are cross-trained people ready to step in if something were to happen to an executive.

Increases the likelihood of successfully managed transitions – in part, succession planning is about developing a better understanding of the role of leadership positions in an organization. Better understanding leads to better decisions.

One goal of this guide is to help “normalize” the succession planning conversation and provide you with the tools to, at least, get the basic ingredients of succession in place, which we call “succession essentials,” a pair of documents: an emergency backup plan for your chief executive position and a board adopted succession policy. These tools will help you mitigate risk and provide a comfortable gateway into the succession planning conversation.

Three approaches to succession planning

While this guide is primarily focused on “succession essentials,” let’s look at three common approaches to succession planning.

Leader Development Planning

This approach involves an ongoing process of systematically assessing, acquiring, developing and aligning organizational talent in a way that builds the organization’s capacity. Often times, this is done within a framework called “talent management,” which also provides a critical link between organizational goals and performance. The idea is that the organization is forecasting its future leadership talent needs, and in turn, reviewing internal leaders, assessing whether they have the potential to move into those forecasted roles. If they do, they are then provided with the training, development and mentoring to increase their capacity to move into that new or expanded future role.

Departure-Defined Succession Planning

This approach is often used when the CEO, particularly a long-term executive, plans to leave within the next 2 to 5 years. Generally, there are two preparation tracks in these plans: one focused on the organization and the other focused on the departing CEO. Organizational preparation work involves planning focused on organizational sustainability (see the *Sustainability Planning Guide* that is a part of this series) and related capacity-building measures. The idea is to take the time prior to the search to assess the organization’s four core areas and to:

- a) strengthen the business model and organizational strategy,
- b) build leadership bench depth – both board and executive,
- c) improve the organization’s resources, both financial and other resources, and, finally,
- d) pay attention to the health of the organization’s culture and addressing any disconnect between the organization’s culture and what’s really needed to ensure organizational readiness for an executive transition.

The executive preparation track typically focuses on helping the incumbent plan their exit from the organization and the handoff to his/her successor. In some cases, it may also involve some work to help the executive retire gracefully. For example, if the agency has not been competitive on salaries or has been lax in providing a retirement plan, the departure-defined plan may also include a plan to bring the executive’s salary up to a competitive level, and/or help catch up on inadequate retirement funding.

Obviously, these matters should be carefully discussed with the organization’s legal and financial advisors.

Succession Essentials

This approach is the subject of the rest of this guide. It provides the tools and processes to ensure leadership continuity for key positions in the event of unexpected absences as well as planned transitions. There are both “hard products” as well as “soft products” from this approach to succession planning. The *hard products*, or the tangibles, are two documents: an emergency backup plan, which is a multipage document that frames the agreement between the executive who is being backed up and the person or people who are identified to provide the backup. The other document is a board-adopted succession policy – a formal policy of the board that frames how the board will handle short and long-term unexpected absences of the chief executive as well as how they would manage the transition if the CEO decides to leave permanently. The *soft products* are equally valuable, and may include a deeper understanding of the leadership roles in an organization on the part of both board and executive leadership, a deeper understanding of leadership bench depth, as well as understanding potential gaps between the skills the agency requires and the skills of the current team. Someone once said that *the purpose of planning is not to make plans, but to change minds*. With these two documents, and as a result of this planning, your organization will have that “insurance policy” in case you need it (hard product), but, more importantly, the planning process will lead to a deeper understanding of the organization and its current and future leadership needs (soft products).

Figure 1 - Process overview for implementing succession essentials



Putting “succession essentials” in place in your agency

The remainder of this guide is a step-by-step action plan for implementing succession essentials in your agency.

Organize a small task force

In most cases its best to have a small team (3 to 5 members) working on this project. Typically the task force should include the chief executive plus one or two members of senior management team and one or two board members. Board members might include the board chair and another officer, or the chair of your personnel committee if you have one. Staff members might include the COO and/or your HR director if you have one.

Orient the task force, organize the project and make assignments

Review with the task force this guide, particularly this step-by-step action plan and the appendices. As for the assignments, someone needs to be assigned to the role of “author,” taking responsibility for the writing and rewriting of documents. The role of the other team members is to contribute to the strategic thinking that goes into the plan, and to review the documents before they are submitted to the board for their review and approval.

Gather and update the supporting documents

The supporting documents that you will want to have on hand include the job descriptions for the individual positions for which you are creating backup plans as well as copies of the staff organization chart and strategic plan.

Make sure the job description(s) are up-to-date

Since you will be using the job descriptions as your “source document” for creating the backup plan, you will want to make sure that the job descriptions are up-to-date, ensuring that they actually reflect the current set of duties and responsibilities for the position for which you are developing a backup plan. Beyond the current reality for this position, consider how this position might evolve over the next several years, particularly over the next year. That should be reflected in the job description as well.

Develop the Emergency Backup Plan(s)

The remaining steps in the process center around the two documents, starting with the Emergency Backup Plan See [Appendix 1](#) for a ready-to-edit template for an Emergency Backup plan. It is best the first draft be the responsibility of one individual, typically the executive whose position is being backed up, and then review the draft with the broader team. Each of the sections below relates to a section in the Emergency Backup Plan template that you will find in [Appendix 1](#). The backup plan document is organized in three sections, the main body of the plan plus two attachments. The body of the plan provides the definitions and an overview. The first of the two attachments contains the current job description for the position being backed up. You should include it here so that it is available for ready reference if the plan needs to be implemented. The second attachment is the emergency backup plan detail, the heart of the backup plan

- a) **Rationale.** This section lays out the rationale for the plan. You will need to update position titles with your own agency's titles.
- b) **Priority functions of the position.** Identify the responsibilities that must be addressed in a temporary staffing situation for this position. Explore how this job is carried out in practice. Which of the responsibilities are most “mission critical?” Which require the most time and effort? Beyond the job description, what really happens on a day-to-day basis?
- c) **Business as Usual.** Here you want outline the topmost leadership activities that require attention during this temporary staffing situation. This should be no more than 3 to 6 items, seven at *most*.
- d) **Plan Implementation.** In this section you will want to update the titles as well as consider the appropriate steps to implement the plan, and to whom those action steps are assigned. You may also want to consider how much independence the president or/board chair should have in the implementation of this plan and how much and at what points should the board chair should consult with the executive committee or the broader board.
- e) **Definitions.** Here you want to make clear your definitions, especially what's considered a “short-term” absence as well as “long-term” absence. The template includes definitions that are fairly common.
- f) **In the event of a temporary, unplanned absence.** This begins to get into the heart of the matter.
 - i. **Who may appoint:** Consider how much independence the board chair/president should have without consultation with executive committee of the board. Make sure to change the titles to reflect your CAA.
 - ii. **First backup:** the first backup is the person primarily designated to back up the executive in this position.
 - iii. **Second backup:** in some cases the first backup may not be available because he/she is out on extended sick leave, maternity leave, etc., or they may be involved in a new assignment that makes taking on this temporary role inappropriate or impractical. It is, therefore, a good idea to also designate a second backup.
 - iv. **Cross-training:** is a vital step of the succession planning process. Ensure that the individuals designated as backup have been cross-trained on the position and that they are, on an ongoing basis, kept abreast of information, trends and issues that relate to this particular position.
 - v. **Authority and restrictions:** carefully consider how much authority the designated backup would have if they assumed the role. Generally this is shaped by this individual's experience with the organization, level of maturity, etc. It also may be influenced by how their current role fits into the chain of accountability. For example, if the CFO is a designated backup, you would not want to grant that individual check signing authority as it would violate your system of checks and balances.
 - vi. **Compensation:** consider whether or not there will be a pay differential for the added responsibilities.
 - vii. **Oversight and support:** typically the board chair is the designated supervisor for the acting executive. These situations do require the board chair to step up his/her level of engagement with the agency for the duration.

- viii. Communications plan: the template outlines a fairly straightforward communications plan. You should inform your close-in, most critical stakeholders as soon as possible after the appointment of the acting.
- g) **Longer-Term, unplanned absence**: for short-term absences, in most cases, the designated backup can shuffle priorities to cover both positions, their own and the one for which they are providing backup. If it's going to be a longer-term absence (more than 2 to 3 months), then you should consider how to relieve the designated backup of their current position while they're filling in.
- h) **Permanent unplanned absence**: this section is straightforward and references the board adopted succession policy discussed in the next section.
- i) **Approvals and maintenance of record**: this plan is only as relevant as the availability of the designated backups. It will need to be changed if one of the backups leaves the agency, or if their job situation changes dramatically. It is recommended that it be put on the board calendar to be reviewed annually.
- j) **Appendix 1 - Attachment 1 - Job Description**: insert a copy of the job description here so you'll have it as ready reference in case the plan needs to be implemented.
- k) **Appendix 1 - Attachment 2 - Emergency Backup Succession Plan Detail**: as mentioned earlier, the details worked out in this section are the heart of the backup plan.
 - i. Communications Plan: outline here the key people that need to be contacted in the event that the plan is implemented. Assign who will contact them, how the contact will be made and how soon after the plan is implemented they will be contacted.
 - ii. Short-Term Staffing of Key Functions: outline the key functions for the position and, in the "short term staffing strategies" column, identify the individuals who will provide backup for that function.
 - iii. Cross-training Plan: outline here your plan for providing cross-training for the key functions, identifying who will provide the training and on what timeline – in other words, how soon after this plan is approved – not implemented but approved – will the cross-training occur. The idea is to have the cross-training take place ahead of the implementation so that you have a ready, trained, able backup in place.
 - iv. Critical Relationships: what are the critical relationships that only this person being backed up has access to? How can you spread out the accountability for maintaining each of those relationships? At a bare minimum, at least identify those critical contacts here so that they can be followed up with in case the plan is implemented.
 - v. Annual Key Events/Milestones Calendar: what are the key events and milestones that routinely take place during the year, or are coming up in the next year, that directly involve the CEO role? What's the specific action or accountability that the CEO has for that event or milestone? Put your answers in the appropriate column.
 - vi. Critical Information and Contact Inventory: smaller organizations, fewer than 5 staff, may find this section especially helpful. In large organizations, typically, there are other staff (CFO, HR director, etc.) who are the custodians of the organization's critical documents. In smaller organizations this knowledge often resides only with the chief executive. If the executive leaves, some of this critical information could get lost or temporarily misplaced.

Consider whether capturing this information for your organization would further its sustainability in the event of unexpected CEO transition.

Develop the Succession Policy

As mentioned earlier, the companion document to the Emergency Backup Plan is the Succession Policy, which is a board approved policy. You only need this policy in place for the CEO position. It does not affect the other senior management positions because those positions report to the CEO. The succession policy, therefore, will just address transition in the CEO position. See the template in [Appendix 2](#). The policy is a fairly straightforward document. Make sure that you change the “[Organization Name]” placeholders to your CAA’s name, also changing the “CEO” title to “Executive Director” or whatever title you use for your organization’s chief executive role. A breakdown of the sections of the succession policy:

- a) **Guiding Principles:** here you want the board to clarify its philosophy on open, competitive searches. Some organizations have a very strong philosophy of hiring from within. Most organizations find that, even if they’ve got a well groomed internal successor, the process is well served by an open, competitive search. That way, the individual who ultimately assumes the role – whether they are internal or external – has a clear mandate, having “won” the position through a competitive process. The second bullet relates to the fact that, often, particularly with founder or long-term CEOs, the position grows up around them and the management structure may be a reflection of their talents, abilities and idiosyncrasies,, rather than a more objectively designed structure. Be open to the fact that when you are faced with a CEO transition, you need to look at the capabilities of the broader management team and hire with that context in mind.
- b) **Lines of Authority:** this simply clarifies that the selection of the chief executive is the responsibility of the board and selection of staff is the responsibility of the chief executive. It’s the board’s responsibility to ensure orderly transition for the CEO’s role. It’s the CEO’s job to ensure orderly transitions among the senior management team and the staff more broadly. In short, the board should review the emergency backup plan and succession policy for the CEO position. Backup plans for the broader management team are highly recommended, but those should be reviewed and approved by the CEO. The board may want to be aware that those plans exist. Moreover, in the interest of organizational sustainability, they might even urge or require the CEO to develop those backup plans.
- c) **Emergency Backup Plan:** this section makes reference to the backup developed earlier in this document and the role those plans have in ensuring sustainability and orderly succession.
- d) **Board Action in the Event of Vacancy in the CEO Position:** this section lays out the top level process for managing the transitions, including the appointment of an acting or interim CEO. This process is covered in more detail in the Emergency Backup Plan.
- e) **Preparation Time Frame for Replacement of the CEO:** the section outlines the optimal time frame for the incumbent executive to notify the board of his/her desire to leave the position or plan to retire, as well as the time required for successfully carrying out a full executive transition.
- f) **Role of the Outgoing CEO in Planned Transitions:** here you want to clarify the role of the departing CEO in assisting the board in planning the transition to his/her successor. Generally, it’s not a good idea to simply task the departing CEO with finding his or her successor. The

appointment of a new CEO is the most important decision a board can make, and a CEO transition is a time for the board to step up, delivering a higher level of engagement with the organization than might be considered during times of “business as usual.” In other words, this should not be dumped in the lap of the departing executive.

- g) **Initial Implementation of the Transition Plan**: this brief outline is designed to get a transition committee in place, and get them started on their plan to manage the transition and search.
- h) **Commitment Regarding Diverse Candidates and Staff Leader Development**: these bullets outline a commitment to developing internal candidates, but ensuring due diligence by conducting an open and competitive search process. Also, this is a place where the board should clarify its commitment to diversity.

Review and reflect with your committee/task force

A lot of ground has been covered with these two documents. The committee or task force’s role is to review the documents prior to submitting them for board approval. To prep for the board discussion, in the review with the committee/task force, here are some questions that you may wish to consider:

- Overall, what have we learned through the exercise of preparing these two documents? What insights do we have now about bench depth and/or organizational sustainability?
- Beyond getting these two documents in place, what are some key actions that we’ve identified that would further organizational sustainability and/or leader development?
- Turning to the documents themselves, does the process we have laid out appropriately reflect our organizational values and capabilities?
- Have we provided a sufficient level of detail, so that someone implementing the plan would have the appropriate level of guidance?

Revise the documents as appropriate and prepare the final drafts for the board. It may take several meetings of the task force to work your way through the refinement process and have the final drafts ready for the board review.

Review and reflect with the board

Now you should be ready to engage the board. Send the documents to the board in advance, and have your committee/ task force members ready to speak to their responses to the reflection questions outlined in step #7 above, as well as have them prepared to respond to board member questions. Again, the idea here is not to *just* have these documents in place, but to build the board’s comfort level and competency with the topic of succession planning, particularly as a tool for furthering the sustainability of your organization.

Finalize, implement and put on the calendar for review

Now that the board has approved the final documents, the implementation can begin, particularly the cross-training which is absolutely vital to ensure that you have successors in place who are ready to step into the position if need be. Finally, these are not static – set-it-and-forget-it – documents. They should be reviewed *at least* annually. The backup plan will need to be revised sooner if the person providing

backup leaves the organization, or if their role and/or availability changes substantially, essentially rendering them unavailable as a backup.

Finally, consider what you've learned throughout this process and how that might influence action plans in other areas, furthering organizational sustainability.

Additional Reading

Adams, T. H. (2010). The Nonprofit Leadership Transition and Development Guide: Proven Paths for Leaders and Organizations. San Francisco, Wiley/Jossey-Bass. *Comprehensive guide to the entire succession transition process.*

Wolfred, T. (2008). Building Leaderful Organizations: Succession Planning for Nonprofits. Baltimore, Evelyn & Walter Haas Jr. Fund and Annie E. Casey Foundation. Free download at: www.transitionguides.com/monographs-on-executive-transition-management

Appendices

[Appendix 1](#) – Emergency Backup Succession Plan Template

[Attachment 1](#) – Job Description

[Attachment 2](#) – Emergency Backup Plan Detail

[Appendix 2](#) – CEO Succession Policy Template

Appendix 1 – Emergency Backup Succession Plan Template

[CAA]

CEO

Guideline for the Appointment of an Acting CEO in the Event of an Unplanned Absence of the Incumbent

Rationale

The CEO position in a nonprofit organization is a central element in the organization's success. Therefore, ensuring that the functions of the CEO are well-understood and shared among the executive team and senior staff is important to ensure organizational stability and leadership continuity in the event of unplanned and unexpected change. This kind of risk management is equally helpful in facilitating a smooth leadership transition even when it is predictable and planned.

The purpose of this plan is to ensure the continuous coverage of duties critical to the ongoing successful operations of [CAA]. The board of directors is adopting policies and procedures for the temporary appointment of an acting CEO in the event of an unplanned and extended absence of the CEO. The board chair, or board vice-[president/chair] in the absence of the board chair, may determine the appropriate time to initiate the implementation of this plan.

While the board of directors acknowledges that such an absence is highly improbable and certainly undesirable, they believe that due diligence in exercising executive-level management functions requires that it have an emergency backup succession plan in place. It is expected that this plan will ensure continuity in the administration of the organization's day-to-day programs and operations, management of external relationships and supervision of staff and finances.

Priority functions of the [CEO] position

The full CEO position description is attached. (See [Attachment 1](#))

Of the duties listed in the position description, the key functions of the CEO have a corresponding temporary staffing strategy for an acting CEO in the attached Emergency Backup Succession Plan Detail (See [Attachment 2](#)).

The positions assigned in the Temporary Staffing Strategy are based on [CAA’s] organizational structure as of [January 2012]. In the event this plan is implemented and those assigned are no longer available or positions are vacant, the board chair may select other senior staff to support each of the key CEO functions. It is the responsibility of the CEO to ensure that positions have appropriate cross-training to successfully implement the temporary staffing strategy.

Business as Usual

This emergency backup succession plan and the staffing structure at [Organization Name] are intended to minimize disruption in quality service and maintain business as usual to the extent possible. In the absence of the CEO, unless otherwise determined by the board of directors, business as usual includes maintenance of the following (See [Attachment 1](#)):

- Leadership and vision
- Fiscal oversight
- Oversight and guidance on programs and reporting
- Maintain communication with key relationships
- Liaison with the board of directors

Emergency Backup Succession Plan Implementation

The board of directors authorizes the board chair to implement the terms of this emergency backup succession plan in the event of a planned or unplanned temporary, short-term absence of the CEO. The board vice-[president/chair] is authorized to implement this plan in the event that the board chair is unavailable or cannot be reached. Phone calls and conference calls are an acceptable substitute for any meetings designated in this plan.

As soon as feasible, following notification of an unplanned temporary or short-term absence, the board chair may convene an executive committee meeting to affirm the procedures prescribed in this plan, or to modify them if needed.

While this timeline may vary based on circumstances, the suggested steps for implementation are:

- The management team informs the board chair immediately of unplanned absence.
- The board chair appoints an acting CEO.
- The board chair informs the board of the acting CEO appointment.
- The board chair (and potentially other officers) consults with the acting CEO on the circumstances of the absence, organizational situation and related factors.
- After the board chair and acting CEO consult, stakeholders will be notified following the communications plan outlined below.

Definitions

- A *temporary absence* is one in which it is expected that the CEO will return to his/her position once the events precipitating the absence are resolved.
- An *unplanned absence* is one that arises unexpectedly, in contrast to a planned leave, such as a vacation or a sabbatical.
- A *short-term absence* is a designated as three months or less.
- A *long-term absence* is designated as more than three months.
- A *permanent absence* is one in which it is firmly determined that the incumbent CEO will not be returning to the position.

Emergency Backup plan in event of a short-term, unplanned absence

Appointment of an Acting CEO

1. The board of directors authorizes the board chair to implement the terms of this emergency backup succession plan in the event of the unplanned absence of the CEO.
2. In the event of an unplanned absence of the CEO, a member of the management team shall immediately inform the board chair of the absence.
3. As soon as is feasible, the board chair may convene a meeting of the management team to affirm the procedures prescribed in this plan or to make modifications the board chair and team deem appropriate.

First backup for the CEO position

The board chair may designate [Name], [Position Title], to the position of acting CEO. His/her position description will specify that s/he may serve as acting CEO in the absence of the CEO unless otherwise decided by the board chair. S/he will have an emergency backup succession plan with designated appointees if s/he becomes acting CEO or if s/he is otherwise unable to serve her own functions as [Position Title].

Second backup for the CEO position

The board chair may also consider splitting duties among designated appointees based on the primary functions to be carried out. (See [Attachment 2](#), Emergency Backup Detail, for complete listing.)

[Name], [Title], may serve as second backup for the position of acting CEO based on the discretion of the board chair. S/he may serve should [Name], [Title], be unable or unwilling to serve as acting CEO or as otherwise decided by the board chair. S/he will have an emergency backup plan with designated appointees.

Cross-training plan for appointees

The CEO, in collaboration with the board chair, will develop a plan for training the potential appointees in the priority functions of the CEO which are listed in section 2 above. The cross-training plan is attached to this document. (See [Attachment 2](#), for detailed Cross-training Plan.)

The CEO will have the responsibility of handling the logistics of the plan's implementation.

Authority and restrictions of the appointee

The person appointed as acting CEO will have the authority outlined below, except as may be further defined by the board chair.

- Staffing – is authorized to hire and terminate management staff after consultation with the board.
- Financial – [will or will not] have check signing authority. Is authorized to expand resources, in consultation with the board treasurer and [president/chair].
- Public Policy – is to take public policy positions on behalf of the organization with board chair approval.
- Media – is authorized to speak on behalf of the organization or designate a spokesperson.
- Contracts – is authorized to enter into and execute contracts after consultation with the board chair and/or board treasurer.
- Programs – is authorized to develop new programs and assume new programmatic responsibilities on behalf of the organization in consultation with the management team and board as necessary.
- Collaboration/Partnerships – is authorized to enter into partnerships or develop collaborations with external parties in consultation with the management team and board as necessary.

Compensation

The board chair, in consultation with the executive committee, may consider a salary adjustment for the acting CEO.

Oversight and support for the Acting CEO

As with the CEO, the board chair and board of directors will have the responsibility for monitoring the work of the acting CEO. The acting CEO will provide regular updates, and will meet with the board chair more often as the acting CEO and board chair may determine necessary. The board chair will also be alert to the special support needs of the acting CEO serving in this temporary leadership role, and act to address them.

Communications plan

Within eight (8) hours after an acting CEO is appointed, the board chair and the acting CEO will meet to implement an external communications plan to announce the organization's temporary

leadership structure, including the kind of information that will be shared, and with whom (e.g. major donors, state associations, partnering agencies, etc.). (See [Attachment 2](#))

Within 24 hours after an acting CEO is appointed, the board chair and acting CEO will implement the communications plan to announce the organization's temporary leadership structure to the management team and the board of directors.

Notifications will take place in sequence on the following timetable:

- Within 24 hours, the board chair will notify the board of directors, the [strategic alliance partners and really close-in stakeholders], and the management team by phone, conference call, or meeting.
- Within 24 hours, the acting CEO will notify the staff by email or meeting.
- Within five business days, the acting CEO will notify the donors and key stakeholders by phone or email.

Updated Key Contact information will be maintained in the organization's database for easy access on an ongoing basis by a staff member designated by the CEO. (For a full overview of the communications plan see [Attachment 2](#).)

Emergency Backup Plan in event of a long-term temporary, unplanned absence

The procedures and conditions to be followed will be the same as for a short-term absence with one addition: The board chair will give immediate consideration, in consultation with the executive management team, to temporarily back-filling the position left vacant by the acting CEO. This is in recognition of the fact that, for a term of more than three months, it may not be reasonable to expect the acting CEO to carry the duties of both positions. The position description of a temporary appointment would focus on covering the priority areas in which the acting CEO needs assistance.

Emergency Backup Plan in event of a PERMANENT unplanned absence

The procedures and conditions will be the same as for a long-term temporary absence with one addition: The board chair may appoint a transition and search committee in accordance with the terms of [Organization Name's] Succession Policy and follow the procedures set forth in the Policy.

Approvals, updates and maintenance of record

Emergency Backup Plan Approval

This emergency backup plan will be approved by the full board of directors and reviewed annually at a formal board meeting to make any needed changes in the designated backup appointees. The

Job Description

[Insert job description here.]

Emergency Backup Plan Detail

Name: [insert name and title]
 First Backup: [insert name and title of first backup]
 Second Backup(s): [insert name and title of second backup]

Communications Plan

Who’s being contacted?	Who’s contacting them?	How will they be contacted?	By when will they be contacted?
Name, <i>[Title]</i>			

Short-Term Staffing of Key Functions

Key functions	Short term staffing strategies <i>(Under 3 months)</i>
	[Name], [Title]

For Longer Term Staffing: For longer term staffing, would the staffing strategy remain the same or would it need to be reconsidered?

Cross-training Plan

Cross-training Area	Staff to be cross-trained this area		Plan/timeline for training
	Trainee	Trainer	
	[Name], [Title]	[Name], [Title]	[Describe the training and duration]
	[Name], [Title]	[Name], [Title]	[Describe the training and duration]
	[Name], [Title]	[Name], [Title]	[Describe the training and duration]
	[Name], [Title]	[Name], [Title]	[Describe the training and duration]
	[Name], [Title]	[Name], [Title]	[Describe the training and duration]
	[Name], [Title]	[Name], [Title]	[Describe the training and duration]

Critical Relationships

Critical relationship that must be maintained	Who's accountable for maintaining?	Contact information <i>(Contact information location)</i>
	[Name], [Title] and [Name], [Title]	

Annual Key Events/Milestones Calendar

Month	Key Events/Milestones <i>(Only those that directly involve CEO)</i>	Key Associated Activities/Responsibilities <i>(CEO's accountability or involvement)</i>
<i>January</i>		
<i>February</i>		
<i>March</i>		
<i>April</i>		
<i>May</i>		
<i>June</i>		

Appendix 1 – Attachment 2 – Emergency Backup Plan Detail

Month	Key Events/Milestones <i>(Only those that directly involve CEO)</i>	Key Associated Activities/Responsibilities <i>(CEO's accountability or involvement)</i>
<i>July</i>		
<i>August</i>		
<i>September</i>		
<i>October</i>		
<i>November</i>		
<i>December</i>		

[CAA]

Critical Information and Contact Inventory

Last updated: _____

Employer Identification Number (EIN) #: _____

Corporate Records

	Onsite Location	Offsite Location	Online URL
IRS Determination Letter			
IRS Form 1023			
Bylaws			
Board Minutes			
Corporate Seal			

Financial

	Onsite Location	Offsite Location	Online URL
Current and previous Form 990s			
Current and previous audited financial statements			
Financial Statements			
State or District Sales-Tax Exemption Certificate			
Blank Checks			
Computer passwords			
Donor Records			
Client Records			
Vendor Records			
Volunteer Records			

Auditor

Name: _____

Company: _____

Appendix 1 – Attachment 2 – Emergency Backup Plan Detail

Phone Number: _____

Email: _____

Bank

Name(s): _____

Account Numbers: _____

Branch Representative(s): _____

Phone: _____

Fax: _____

Email: _____

Investments

Financial Planner / Broker Company: _____

Representative Name: _____

Phone: _____

Email: _____

Authorized Signatories

Authorized to make transfers, wire transfers: _____

Alternative(s): _____

Authorized check signers? _____

Is there an office safe? Yes No

Who has the combination/keys? _____

Legal Counsel

Name: _____

Appendix 1 – Attachment 2 – Emergency Backup Plan Detail

Phone: _____

Email: _____

Technology

Computer Systems

Name: _____

Company: _____

Phone Number: _____

Email: _____

URL: _____

Telephone System

Name: _____

Company: _____

Phone Number: _____

Email: _____

URL: _____

Human Resources Information

	Onsite Location	Offsite Location	Online URL
Employee records/ personnel files			
I-9s			
Other			

Payroll

Company Name: _____

Appendix 1 – Attachment 2 – Emergency Backup Plan Detail

Account Number: _____

Payroll Rep: _____

Phone: _____

Email: _____

Facilities Information

Office Lease or Building Deed Location: _____

Building Management

Company Name: _____

Contact Name: _____

Phone: _____

Email: _____

Office Security System

Company Name: _____

Account Number: _____

Representative Phone Number/Email: _____

Broker Phone Number/Email: _____

Other

Company Name: _____

Contact Name: _____

Phone: _____

Email: _____

Appendix 1 – Attachment 2 – Emergency Backup Plan Detail

Other

Company Name: _____

Contact Name: _____

Phone: _____

Email: _____

Insurance Information

Directors and Officers

Company Name & Policy Number: _____

Contact Name: _____

Phone: _____

Email: _____

General Liability

Company Name & Policy Number: _____

Contact Name: _____

Phone: _____

Email: _____

Other

Company Name & Policy Number: _____

Contact Name: _____

Phone: _____

Email: _____

Appendix 2 – CEO Succession Policy Template

[CAA]

CEO

Succession Policy

Introduction

A change in executive leadership is inevitable for all organizations. It is a time of both risk and opportunity. It is a period in an organization's history when the board president must increase his/her level of engagement. It is also a time when some may seek assurance of the organization's viability and long-term sustainability.

A succession policy for the CEO position is a routine risk management and sustainability planning tool. The policy ensures organizational sustainability by providing a proactive, orderly plan for executive leadership transitions.

To that end, the Board of [CAA] is adopting this succession policy for purposes of:

- Focusing board attention on leadership team development through annual communications between the CEO and board about the depth of staffing and succession plans for management team positions
- Establishing principles, role clarity and procedures to support positive leadership transitions that foster good endings and beginnings with departing and arriving leaders, and build organizational capacity when a planned or unplanned executive leadership change occurs.

The board president shall be responsible for implementing this policy and its related procedures, and for annually reviewing and updating the policy as needed.

In the event of a planned or unplanned leadership transition, the board shall immediately appoint a transition committee which shall plan and manage the transition, including the search for a new CEO.

Guiding Principles

- [CAA] is open to and will consider both internal and external candidates when filling the CEO position. A national search will be conducted unless the board concludes that a current staff member is appropriate and available for the job.
- In organizations such as [CAA], the CEO's position is often shaped by the incumbent's talents and areas of specialized interest. That person's departure might necessitate other organizational changes including the creation of new positions and/or realignment of current positions.
- The preeminent goal of a transition to a new CEO is maintaining continuity of [CAA]'s mission-related work. A transition also presents an opportunity for the organization to continue to grow and develop.

Lines of Authority

1. The selection of the CEO is the responsibility of the board.
2. The current CEO has the responsibility to continuously identify, encourage, and help to develop senior managers within the organization who are qualified to meet future leadership needs, whether that be on a temporary or permanent basis.
3. The current CEO has the responsibility to plan for the orderly transition of all senior managers.

Emergency Backup Plan

1. Related to the position of CEO: To be prepared at all times for a leadership transition, the organization shall maintain an up-to-date Emergency Backup Plan with guidelines for the planned or unplanned short-term and long-term absence of the CEO. This plan is approved by the board and should be reviewed annually. The plan can also serve as the transition plan when there is a vacancy in the CEO position.
2. Related to management team positions: To be prepared at all times for a senior management transition, the CEO shall maintain an up-to-date Emergency Backup Plan with guidelines for the planned or unplanned short-term and long-term absence of members of the management team. Those plans shall be provided to the board president and made available to the board.

Board Action in the Event of Vacancy in the CEO Position

1. Organizational Assessment: The board or transition committee shall take time to assess the leadership needs of the organization before the search for a new CEO is conducted. The assessment shall include a review and update (if needed) of the organization's strategic plan. The assessment will be designed to help assure the selection of a qualified and capable leader who fits well with the organization's mission, vision, values, culture, goals, and objectives, and who has the necessary skills to lead the organization.

2. Option of appointing an acting or interim CEO: To assure the organization's operations are not interrupted while the board assesses the leadership needs and recruits a new CEO, the board may appoint an acting CEO from among senior executive staff, or hire an interim CEO from outside the organization.
3. Duties of the acting/interim CEO: Among such duties will be to ensure that the organization continues to operate without disruption, and that all organizational commitments previously made are appropriately executed, including but not limited to: speaking engagements, grant and contract obligations, reports, licenses, certifications, membership renewals, and other obligations to funders and other stakeholders.
4. Simultaneous transitions for the CEO and senior management positions: After appointing an acting or interim CEO from within, the board may make other temporary senior management appointments from among other senior management staff, external hires, or whatever combination of those options best assures continuity in leadership and program success through the transition period and afterwards.

Preparation Time Frame for Replacement of the CEO

1. The optimal period for the CEO to announce his/her departure from that role – or proposed commencement of a new role in the organization – is at least six to twelve months before the date of departure.
2. The organization's board understands that the time required for successfully completing a planned leadership transition is approximately eight to twelve months.

Role of the Outgoing CEO in Planned Transitions

The departing CEO, unless otherwise directed by the transition committee, will be involved in some transition activities such as: fundraising, communicating with funders and other stakeholders, and briefing the incoming CEO. The departing CEO's role during the transition and after the new CEO starts shall be developed in consultation with the board president and/or transition committee and communicated to the board.

Initial Implementation of the Transition Plan

1. Within fifteen (15) days of the announcement of a planned departure, the board president shall appoint a transition committee. This committee shall be comprised of at least three members of the board. Other external stakeholders and/or staff may be recruited to advise or assist the committee at the discretion of the board president and transition committee.
2. The transition committee will develop a transition plan that addresses: the appropriate preparation prior to launching the search, the conduct of the search and selection process, and the post hire follow-through to ensure the successful onboarding of the new CEO.
3. The transition committee shall be responsible for implementing this transition plan and further developing the plan as needed. At its first meeting, the transition committee shall

determine its role, including responsibilities related to conducting the search process. (The transition committee may recommend that the board president appoint a separate search committee, while the transition committee manages the overall transition process for the organization.) The committee shall also discuss and decide on how the senior staff will be substantively involved in the transition planning process and consulted in the selection process.

4. The transition committee shall also determine the need for consulting assistance (i.e., transition management consultant and/or executive search firm) based on the circumstances.
5. As needed, the board president shall authorize an organizational assessment and schedule a board retreat to review and refresh the organization's strategic plan.

[Organization Name] Commitment Regarding Diverse Candidates and Staff Leader Development

1. In order to provide career advancement for staff, the organization shall encourage the professional development of current employees.
2. In order to support the board's due diligence and ensure that the best possible candidate is hired, the organization shall implement a search and selection process that is open to internal and external candidates.
3. In order to develop a finalist pool that is reflective of the community, the organization shall work proactively to develop a diverse pool of candidates for the CEO position.

Adopted by the Board of Directors on the ____ day of _____, 2014.

[First Name] [Last Name], [Title]



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