***Succession Planning Step #1:***

**ADOPTING A BOARD POLICY**

**Pre-Authorizing a Series of Activities to Quickly Respond**

Whether planned or unplanned, a vacancy in the chief professional position creates an awkward series of events involving staff, volunteers, donors and the entire community. Depending on the variables that resulted in the vacancy, a significant period of time can be spent managing the people, processes and politics associated with your organization.

Executive Consulting recommends the adoption of a succession policy by a Board of Directors that will authorize the organization to immediately enact a series of steps that will help the organization to continue its services without interruption during times of short-term absences and following a termination of the Executive Director.

There are three situations that can result in a vacancy in the Executive Director position:

• A short-term leave of absence

• A long-term leave of absence

• A permanent vacating of the position

Based on our experiences, **Executive Consulting** recommends the following succession planning approach and policy statement to our clients:

**An Example of Succession Policy Statement for Board Approval**

The Board of Directors of the Housing Authority of the City of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ recognizes that a policy for contingencies due to the disability, death or departure of the Executive Director represents sound governance practices. The Board annually reviews the job description of the executive director as part of an annual executive evaluation process. The current job description is attached to this policy statement.

It is a primary function of the Board of Directors to have a clear understanding of the Executive Director’s role in operations leadership, program development, program administration, supporting the Board and committees, volunteer management, financial operations, fundraising, community presence and human resources.

**SUCCESSION POLICY EXAMPLE:**

**IN THE EVENT OF A TEMPORARY, UNPLANNED ABSENCE**

**A Vacancy in the Executive Position Less Than Three Months**

A temporary absence is one of less than three months in which it is expected that the Executive Director will return to his or 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 in the cases of extended vacation or sabbatical.

The Board of Directors authorizes the Chairperson to implement the terms of this emergency plan in the event of the unplanned short-term absence of the Executive Director.

In the event of an unplanned absence of the Executive Director, the highest-ranking staff member is to immediately inform the Chairperson of the Board or the highest-ranking volunteer Board member of the absence. As soon as it is feasible, the Chair should convene a meeting of the Board of Commissioners to affirm the procedures prescribed in this policy statement and make modifications as the officers deem appropriate for the circumstances of the situation.

At the time this policy statement was approved, the position of Acting Executive Director would be (***Name of Person and the Person’s Title***). Should the standing appointee to the position of Acting Executive Director be unable to serve, the first and second back-up appointees for the position of Acting Executive Director will be ***(names and titles in descending order of seniority to the position).***

If the Acting Executive Director is new to his or her position and fairly inexperienced with the organization (less than 12 months), the Board of Commissioners may decide to appoint one of the back-up appointees to the acting executive position or elect to seek an interim executive director from outside of the organization with the experience and credentials to lead the organization during the period of the absence.

The person appointed as Acting Executive Director shall have the full authority for decision-making and independent action as the Executive Director of the organization. The Acting Executive Director, at the discretion of the Board of Commissioners, may be offered a temporary salary increase to the entry-level salary of the executive director position or offered a bonus in a mutually negotiated amount to be paid during the Acting Executive Director period. Should the Board of Commissioners choose to secure an independent Interim Executive Director, the Board of Commissioners are authorized to pay a fee for such services as deemed reasonable and appropriate to assure the organization is provided quality leadership without interruption.

The Board Member responsible for supervising and monitoring the work of the Acting Executive Director shall be the Chairperson of the Board. Immediately upon transferring the responsibilities to the Acting Executive Director, the Board Chair or the highest-ranking Board member available will notify staff members, members of the Board of Directors and key volunteers of the delegation of authority in writing. As soon as feasible, the Acting Executive Director in concert with the Board Chair or the highest-ranking Board member shall make available to the community the temporary leadership structure to key external supporters which include, but are not limited to, government contracts officers, foundation program officers, civic leaders, and major donors.

The decision about when the absent Executive Director may return to the position shall be determined by the Board of Commissioners. They will decide upon a mutually agreed upon schedule and start date. A reduced schedule for a set period of time can be allowed, by approval of the Board Chair, with the intention of working back to a full-time commitment over a reasonable period of time appropriate to the circumstances necessitating the short-term absence.

**SUCCESSION PLANNING EXAMPLE:**

**IN THE EVENT OF A LONG-TERM, UNPLANNED ABSENCE**

**A Vacancy in the Executive Position More Than Three Months**

A long-term absence is one that is expected to last more than three months but no longer than one year in length. The procedures and conditions to be followed shall be the same as for a short-term absence with the following additions:

The Board of Commissioners will give immediate consideration, in consultation with the Acting Executive Director, to temporarily fill the management position left vacant by the Acting Executive Director if the Acting Executive Director is currently an employee of the organization.

In the event that an independent third party has been selected as Acting Executive Director, the Board of Commissioners are authorized to extend the contract up to one year from date of hire with payment of additional fees as deemed appropriate and reasonable by the Board of Commissioners.

The decision about when the absent Executive Director may return to the position shall be determined by the acting or interim executive director and the Board of Commissioners. They will decide upon a mutually agreed upon schedule and start date. A reduced schedule for a set period of time can be allowed, by approval of the Board Chair, with the intention of working back to a full-time commitment over a reasonable period of time appropriate to the circumstances necessitating the long-term absence.

**SUCCESSION PLANNING EXAMPLE:**

**IN THE EVENT OF A PERMANENT CHANGE IN EXECUTIVE DIRECTOR**

**A Vacancy in the Executive Position Caused by Death, Disability, Resignation or Termination**

A permanent change is one in which it has been firmly established that the Executive Director will not be returning to the position or has been removed from the position according to Board approved policy.

The Board of Directors shall appoint a Transition and Search Committee or will authorize the Board of Commissioners to act as a Transition and Search Committee within 7 days of the position having been vacated.

The Transition and Search Committee is authorized to determine the need for an Interim Executive Director and carry out a plan for the recruitment and selection of an Interim Executive Director and/or the permanent replacement for the position. The Search Committee is expected to regularly inform the Board of Commissioners of the plans, proceedings and outcomes of the Transition and Search Committee by special meeting and written reports as deemed appropriate and feasible.

Prior to extending a written offer of employment, the final candidate for the permanent replacement of the Executive Director being recommended by the Transition and Search Committee requires a presentation of the candidate and full disclosure of the employment offer for approval by a majority vote of the entire Board of Directors.

***Succession Planning Step #2:***

**KEEPING YOUR POLICY ACTIVE**

**An Annual Review of the Policy & Current Information**

This Succession Policy is a dynamic statement that should continually reflect the current conditions and experiences of Housing Authority of the City of \_\_\_\_\_\_\_\_\_\_\_\_\_\_. In order to keep our policy relevant and to keep our current and new Board member aware of our succession plan, the following steps will occur each year as prescribed by the Center for Nonprofit Advancement in Washington, DC:

• **ANNUAL SUCCESSION POLICY APPROVAL.** Policy statements should be reviewed by the Executive Committee each year and forwarded to the full Board of Commissioners for its vote and approval.

• **SIGNATORIES.** The Board Chair, Executive Director, and appointees for the position of Acting Executive Director should sign each policy for approval.

• **ORGANIZATIONAL CHARTS.** Two organizational charts should be prepared and attached to this plan reflecting the current staffing positions and lines of authority throughout the organization. A second organizational chart should be prepared that reflects how the structure will change within the context of an absence and as prescribed by the succession policy statement.

• **JOB DESCRIPTION.** The current job description of the Executive Director should be attached to this plan reflecting any changes that are, under the best of circumstances, are reviewed and revised annually to reflect current responsibilities of the position.

• **COPIES OF THE POLICY**. Copies of the approved Succession Policy along with the corresponding documentation should be held by the Board Chair, Executive Director, appointees to the position of Acting Executive Director, the human resources department, and the organization’s attorney.

• **ORGANIZATIONAL INFORMATION.** A completed Essential Organizational Information and Contact Inventory Sheet (as provided elsewhere in this document) should be completed annually and attached to this plan along with a current list of the organization’s Board of Directors.