

**Transition & Succession Plan
for the Executive Director**

Transition Plan for the Executive Director

Leadership plays an essential role in the success of a nonprofit organization and a change in executive leadership is as inevitable as the passing of time. It is an important responsibility of the Board and the executive leadership to prepare the organization for a smooth transition in leadership, whether planned or unplanned, and temporary or permanent.

The Executive Director, at the direction of the Board, has developed the following plan detailing the actions that should be taken to facilitate a smooth transition to a new Executive Director. This can be done by training individuals whom the Executive Director believes are suitable candidates for the position.

Alternatively, if there is no one in the organization fitting this description at the time of transition, the Board and executive officers must establish the circumstances and environment for finding a suitable replacement.

This plan is designed to form a framework to assist the Board and executive staff to be as prepared as possible for the worst case scenario, which would be an unplanned or temporary leadership change, in order to minimize turmoil, confusion, and stress that can accompany such events. Nothing in this plan is designed to alter or create any adverse impact on the appropriate relationship between the Board of Directors and the Executive Director. Accordingly, nothing herein changes the at-will status of employment of these positions.

This plan, if accepted, should be adopted by the Board of Directors to facilitate the smoothest possible transition of leadership by The Ability Center in the event that a transition, whether orderly or emergent, is necessary. This document summarizes the elements of the plan and the process for all contingencies. For reference, this plan will be kept in the personnel files of the Executive Director and in the office of the Director of Human Resources.

Types of Disruption of Executive Leadership Continuity

There are two types of executive leadership transitions and, although they share some key elements, they differ in the challenges they present to the Board and the appropriate response required. One is a temporary absence that is either defined as short-term or long-term, and the second is a permanent absence that may be planned or unplanned.

Agency Name
Continuity of Executive Leadership Policy

Type of Absence	Temporary: Short Term: 1-3 months	Temporary: Long Term: 3-6 months	Permanent: Forever
Planned	<ul style="list-style-type: none"> • Extended Vacation • Sabbatical 		<ul style="list-style-type: none"> • Planned Retirement (6-12 months' notice)
Unplanned	<ul style="list-style-type: none"> • Illness • Surgery 	<ul style="list-style-type: none"> • Illness • Surgery 	<ul style="list-style-type: none"> • Immediate Resignation • Termination • Sudden Death

Key Executive Functions

The following key executive functions have been identified for which a temporary coverage strategy for both Board and staff should be addressed should the ED position be vacated. The Board may also consider the option of splitting the Key Executive functions listed below among the designated appointees as follows:

Executive Function	Staff Responsibility	Board Responsibility
Leadership and Strategic Planning	Resource Development Director	Board Chair & Executive Committee
Board Administration and Support	Finance Director	Board Secretary
Program Administration and Services	Director of Consumer Services	Chair of Program Committee
Financial Management and Administration	Finance Director	Board Treasurer
Human Resources	Human Resources Director	Chair of HR Committee
Risk Management	Human Resources Director	Chair of HR Committee
Community Spokesperson and Public Relations	Director of Marketing	Board Chair

Annual Preparedness

Annually, as part of the ED's performance review, the ED reviews and assesses preparedness for any unplanned transition which may arise. The Program and Human Resources Committees review the assessment and make makes any recommendations to the Board.

Also annually it is the responsibility of the Board to discuss any plans that the Executive Director may have for departing the position. If the individual is contemplating a change which would mean resigning the position or requesting a leave, it is the responsibility of the ED to notify the Board as soon as possible (ideally at least six months in advance) and to draft a proposed transition plan as outlined in this policy.

In addition, the ED and the Board ensure the organization always has in place:

- The job description for the position which shall be reviewed and updated annually by the Program and Human Resources Committees. The written job description sets forth in reasonable detail the job responsibilities of the Executive Director. This will facilitate transition to new leadership by assisting the Board in identifying candidates who possess the experience, knowledge and skills necessary to perform the job, whether on an interim or long-term basis.
- A current, detailed strategic plan complete with goals, objectives, action steps and timeline.
- An updated organization chart.
- An operating budget that includes adequate salary and benefits to recruit and attract a competent successor.
- Reserves that can support the costs of an executive search and interim management expenses.
- List of executive recruitment firms and best practices for executive search.
- List of trusted executives who would be available to guide the Board in the search.
- Annual update of the 1) Transition Plan for ED, 2) Annual Checklist, 3) Key Information and Contact Inventory and 4) Emergent Transition Plan.
- Internal candidates who desire to be considered for an Executive Director/CEO position sometime in the future will be encouraged to develop a career development plan. This plan will be based on the ED job description which identifies the major job functions, required skills and qualifications needed for the position. A Career Development plan will be formulated to further develop each candidate's knowledge and skills through experiences, education and mentoring. The candidate, the supervisor and the ED will identify a training plan and a timeline to improve areas of weakness and build additional skills. As situations arise, candidates will be asked and encouraged to take on projects which demonstrate leadership and an interest in the key components of this position. Each candidate's training plan will be updated annually as part of his/her evaluation.

Temporary Vacancy

A temporary vacancy can be defined as short-term (1-3 months) or long-term (3- 6 months). Ideally a temporary vacancy is planned. However, circumstances might cause an unplanned temporary vacancy.

Emergency Transition Plan

A transition plan will be considered emergent when the ED departs suddenly because of illness, incapacity or other reasons in which reasonable prior notice of the transition is not given.

It is the responsibility of a member of the leadership team on duty at the time of an unplanned event to contact the President of the Board or his/her alternate. It is the responsibility of the Chair of the Board to convene an Executive Committee meeting to affirm the procedures in this policy, or to modify them if the specific situation warrants it.

Authority and Compensation of an Interim Executive Director/CEO

An interim Executive Director/CEO may be hired by the Board to replace an absent ED for any period of time. In such cases, the interim Executive Director is granted the full authority that would normally be given to a permanent Executive Director to include personnel, financial, program, and community relations decisions except for those explicitly requiring Board approval. The interim Executive Director who is an internal candidate will be offered an appropriate temporary salary increase or an external candidate will be paid a salary agreed upon by the Board. This salary shall remain in effect until the ED has returned to work at a minimum of half-time.

Board Oversight

The Board Chair and the Human Resources Committee shall be responsible for monitoring the work of the interim Executive Director. The above-named people will be sensitive to the special support needs of the interim Executive Director in this temporary leadership role.

Communications Plan

Immediately upon transferring the responsibilities to the Interim Executive Director, the Board Chair will notify staff members, members of the Board of Directors, volunteers and key stakeholders of the organization. As soon as possible after the interim Executive Director has begun covering the unplanned vacancy, Board members and the interim Executive Director shall communicate the temporary leadership structure to key external supporters. This may include government contract officers, foundation program officers, civic leaders, major donors, lenders, and state regulatory agencies.

When the temporary absence is planned, a communication plan will be developed and implemented in advance of the event.

Completion of Temporary Leadership Period

The decision about when the absent ED returns to lead the organization should be determined by the Executive Director and the Board Chair. They will decide upon a mutually agreed upon schedule and start date. A reduced schedule for a set period of time may be approved by the Board Chair, with the intention of increasing hours over time to return to a full-time commitment.

Permanent Vacancy

A transition plan will be considered orderly when a determination is made to change leaders far enough in advance to permit a search process to proceed in a manner which permits overlap of the tenure of the outgoing and incoming Executive Director. This will typically occur with a planned, voluntary departure, such as a timed retirement or a resignation, and will typically be signified by a mutually agreed upon desired effective date. Except as otherwise determined by the Board of Directors, the Executive Director retains all duties associated with these positions as long as the search process continues and until a new Executive Director is named and hired by the Board of Directors. It is of course the desire of the Board of Directors that any transition be voluntary and orderly.

Executive Transition Committee

Within 15 days of a decision to implement a planned transition, the Board Chair shall appoint an Executive Transition Committee.

- The Executive Transition Committee shall be composed of:
 - At least two members of the Executive Committee.
 - At least two other members of the Board of Directors.
 - May include members of the leadership team and possibly other key stakeholders of the organization at the discretion of the Board Chair.
- The Executive Transition Committee of the Board shall determine the timing, manner and substance of all communications to The Ability Center's stakeholders regarding the transition.
- The Executive Transition Committee shall meet to review its role and develop a timeline for its activities:
 - The Executive Transition Committee may recommend that the Board of Directors appoint a separate Search Committee, while the Executive Transition Committee manages the overall transition process.
 - The Executive Transition Committee shall determine the need for any consulting assistance, to include executive search, transition management, and interim management, and make such recommendations to the full board.

Agency Name
Continuity of Executive Leadership Policy

- The Executive Transition Committee will also propose a timeline for the recruitment and selection process which accounts for the following phases: Leadership Assessment, Position Announcement, Applicant Screening, Preliminary Interviewing, Final Interviews, Negotiation, and lead time for the newly hired executive to give notice and move his/her family if necessary.
- The Executive Transition Committee will review the existing Transition Plan for Executive Director to determine if elements of the plan should be implemented or used as a contingency plan if the departing ED should leave before a permanent replacement has assumed the position.
- If the Search Committee determines that an external search is required, the search committee prepares a Request for Proposal (RFP) for search services and conducts interviews and makes recommendations to the Executive Transition Committee concerning the selection of a firm. If the Search Committee determines that only an internal search from existing employees will be necessary, the Search Committee determines if an outside search firm is necessary to assist with the internal search tasks. If the Search Committee decides not to use an external search firm, the Search Committee will serve in the capacity of the search firm.
- If an outside search firm is hired, the firm will meet with the incumbent ED, if available, and the search committee to develop a profile of desired characteristics and develop a plan and time line for the search contingent on Board approval. Any Board member who wants to apply for the position will be required to resign from the Board when he or she submits his or her name for consideration to the search firm/Search committee.
- If only an internal search is conducted and no outside search firm is hired, the Search Committee working with the incumbent Executive Director, if available, will develop a Succession Planning Profile of desired characteristics and develop a plan and timeline for the search which will be subject to Board approval.
- In the case of an internal search, the Search Committee, working with the incumbent ED, will evaluate and compare the experiences, education, and characteristics of internal candidates to The Succession Planning Profile. The Executive Director will then prepare a Career Development Plan to assist the internal candidate's preparation for the ED position. The Search Committee will then determine if the internal candidate may be able to develop quickly enough to assume the Executive Director role. The Executive Director will be responsible for providing the needed experiences/training to be prepared for the ED role.

Agency Name

Continuity of Executive Leadership Policy

- In the case of an external search, at least two candidates will be selected by the Search Committee to be interviewed by the Board. In the case of an internal search, the Search Committee will recommend one or two candidates to the full Board and they will be interviewed.
- When a finalist is selected by the Board of Directors, the Board Chair and HR Chair will negotiate the terms and conditions of employment subject to approval by the Board.
- When an agreement is reached with the candidate, the individual named Executive Director assumes all duties on a date mutually agreed to with the Board.

Role of the Departing Executive Director

Based upon interest and availability, the departing ED will be involved in the transition process as requested by the Executive Transition Committee. Beyond their normal job responsibilities, this may include drafting certain elements of the transition plan, communicating with key stakeholders, acting as a consultant to the organization for up to six months and orienting the new Executive Director. These roles will be recommended by the Executive Transition Committee to the Board Chair and HR Community.

Unique hiring considerations for The Ability Center of Greater Toledo.

As a federally funded Center for Independent Living, ACT must abide by rules developed in Title 7 of the Rehabilitation Act. Along with requirements regarding core services and eligibility for services, the Rehab Act puts forth guidelines requiring a majority of individuals with disabilities on the Board, Staff, and in decision-making positions.

Care should be taken in identifying which current staff are in decision-making positions, and then determine the impact on the majority percent based upon the presence of disability with candidates. From a philosophical standpoint, Centers whose ED can speak from personal experience tend to have greater credibility in their pursuit of the mission.

New to the rules regarding federal IL dollars is the requirement that the Department of Health and Human Services/Administration for Community Living must review and approve all ED candidates prior to offer. The current contact is: _____

With over 450 CILs in the US, and a network of disability affiliates, there are plenty of recruitment paths should external candidates be required.

Key Information and Contact Inventory

The following list of key documents or files will be made available to the Board Chair or his/her designee.

Legal and Other Key Documents and Files:

- Accounts Receivable Files
- Administrative Files
- Agency Logo
- Blank Checks
- Board Minutes
- Board Roster
- Board Terms
- Bylaws/Articles of Incorporation
- Calendar of ED
- Code of Regulations
- Current & previous audited financial statements
- Donor Files
- Financial Minutes
- Financial Statements
- Form 990s
- Grants and Other Contracts
- IRS Determination Letter
- Mission/Values/Vision Statements
- Personnel Files
- Tax Exempt Certificates
- Vendor Accounts Payable Files
- Volunteer Files

Financial & Security Information:

Employer Identification Number (EIN) #:

Office safe location:

Office / Business Keys held by: Human Resources Director/Finance Director

Computer Passwords: Retained by

Network access codes: Retained by

Telecom access codes: Retained by

Credit Card Information: Retained by Finance Director

Banking Passwords: Retained by Finance Director

Financial Institutions:

Accounts:

- **Checking**
- **Savings**
- **Investment**

Account Information: Retained by Finance Director

Authorized to make transfers and authorized to make wire transfers:

Finance Director: Yes – Online or in person

Authorized check signers:

Executive Director
Finance Director
Program Development Director
Consumer Services Director
Board Treasurer

Auditor(s):

Organization:
Contact Name:
Phone Number:
Email:

Legal Counsel:

Firm:
Contact Name:
Phone Number:
Email:

Planned Succession and Emergent Transition Plan (DATE REVIEWED)

Planned Succession

There is no plan for the current Executive Director to request a leave of absence or otherwise voluntarily vacate the position.

Emergent Transition Plan

In the event of an unplanned, short term absence, it is recommended that the responsibilities of the ED be assumed by _____.

For an emergent, long-term or permanent vacancy, the Board might consider seeking guidance from search firms specializing in non-profit and executive leadership.

Transition Plan for ED – Annual Checklist

- Transition Plan for ED reviewed and updated as necessary.
- An Executive Director's job description has been developed, reviewed and updated as necessary.
- Copies of Transition Plan for ED, including a Career Development Plan for potential successors, distributed to the ED, Board Chair, and HR Committee.
- Organization chart reviewed and updated as necessary.
- Key Information and Contact Inventory reviewed and updated as necessary.
- Executive Director's performance evaluations completed and include candid discussion about future plans.
- Salary and benefits of Executive Director reviewed against current market.
- Reserves identified for potential use for transition costs (executive search, interim management)
- If a planned transition is scheduled, the ED reviews the progress of the plan with Transition Committee and Board of Directors at least every two months.

Agency Name
Continuity of Executive Leadership Policy

Signed:

Executive Director

Date

Board Human Resources Chair

Date

Board Chair

Date