

**Upper Bay Counseling & Support Services, Inc.**

**LEADERSHIP (CEO) SUCCESSION PLAN POLICY**

**I. Rationale**

The Chief Executive Officer (CEO) position in a nonprofit organization is a central element in the organization's success. Therefore, insuring that the functions of the Chief Executive are well-understood and even shared among senior staff and volunteer leaders is important for safe guarding 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 the Upper Bay Counseling & Support Services, Inc. (UBCSS). This plan reflects UBCSS's Succession Plan Policy and its 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 UBCSS in the event the CEO is unable to fulfill her duties.

**II. Plan Implementation**

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

- A. It is the responsibility of the CEO to inform the Board of Directors of a planned temporary or short-term absence, and to plan accordingly.
- B. 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.

**III. Definitions**

- A. A temporary absence is one of 30 calendar days or less, and, in which it is expected that the CEO will return once the events precipitating the absence are resolved.
- B. A short-term absence is up to 90 days. A long-term absence is 90 days or more.
- C. A long-term absence is 90 days or more.
- D. A permanent absence is one in which it is firmly determined that the CEO will not be returning to the position.
- E. "President" is the Board President with the Executive Committee &/or a designee
- F. An unplanned absence is one that arises unexpectedly, in contrast to a planned leave such as vacation or a sabbatical.

- G. Whereas the CEO staffing for a temporary absence (CEO expected to return) is referred to as “acting”, the CEO staffing until a permanent replacement is made is referred to as “interim”.
- H. This succession plan applies to both planned and unplanned absences.
- I. The CEO on leave is eligible for disability insurance. UBCSSS maintains a self-insured 30 day policy and a long term policy that becomes effective at 90 days.

**IV. Temporary Staffing Strategy for the Priority Functions of the CEO at UBCSSS**

Among the duties listed in the position description, the following are considered to be the key functions of the CEO and have a corresponding temporary staffing strategy.

<b>Key CEO Functions</b>	<b>Temporary Staffing Strategy</b>
Leadership and Vision	COO with Board President
Board Administration and Support	COO & CEO Executive Assistant
Financial Management	Director of Finance with Board Treasurer
Human Resource Management	Director of HR and Board President
Community & Public Relations	COO and Board President
Spokesperson	COO and Board President

The positions assigned in the Temporary Staffing Strategy are based on UBCSS’s organization structure as of 6/27/2012. In the event this plan is implemented and assigned positions are vacant or no longer available, the Board President shall select other senior staff to support each of the key CEO functions.

A full CEO job description is attached to this policy.

**V. Succession plan in the event of a temporary and Short-Term absence**

- A. For absences of 30 or less days, the Executive Committee shall determine if the Temporary Staffing Strategy described above in section III will become effective.
- B. In the event of a short-term of more than 30 days absence, the Executive Committee shall determine if the Temporary Staffing Strategy is sufficient for this period of time.
- C. Based on the anticipated duration of the absence, the Executive Committee may appoint an acting CEO, as well as continue to implement the Temporary Staffing Strategy.
- D. Cross Training Plan
  - 1. The CEO shall develop a training plan for each staff member named in section III that ensures continuity in the key CEO functions.
  - 2. An up-to-date training plan shall be attached to this document.
- E. Authority and Restrictions of the Acting CEO
  - 1. The Acting CEO shall have full authority for day-to-day decision-making and independent action as did the regular CEO.

2. Decisions concerning staff hiring and terminations, financial issues, taking on a new project, and taking public policy positions on behalf of the organization shall be made in consultation with the Board President and/or Executive Committee.
- F. Board Oversight and Support to the Acting CEO
1. The Acting CEO reports to the Board President
  2. The Executive Committee shall be alert to the special support needs of the Acting CEO in this temporary role. The Executive Committee shall convene monthly when an Acting CEO is appointed.

## **VI. Succession plan in the event of an absence - Long-Term**

- A. Procedures and conditions to be followed shall be the same as for a temporary short-term absence with the following addition:
1. The Executive Committee shall give immediate consideration, in consultation with the Acting CEO, to temporarily filling the management position left vacant by the Acting CEO, 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 CEO to carry the duties of both positions.
- B. The Board President and Executive Committee are responsible for gathering input from staff and reviewing the performance of the Acting CEO according to the organization's Performance Review Policy. A review shall be completed between 30 and 45 days. After the acting CEO serves for six months the Board President and Executive Committee may consider a salary adjustment.

## **VII. Succession plan in the event of a permanent unplanned absence.**

- A. Procedures and conditions to be followed shall be the same as for a temporary short-term absence with the following additions:
- B. The Board of Directors shall consider the need to hire an Interim CEO from outside the organization instead of appointing an Acting CEO. This decision shall be guided, in part, by internal candidates for the CEO position, the expected time frame for hiring a permanent executive, and the management needs of the organization at the time of the transition.
- C. The Board of Directors shall appoint a Transition Committee to implement this CEO Succession Plan Policy during the transition to a new permanent CEO. See attached the attached Transition Committee description.
- D. Hiring an Interim CEO
1. If an Interim CEO is hired, the Board President and Executive Committee shall negotiate an independent contractor agreement with a defined scope of work

- a) The scope of the agreement with an Interim CEO shall be determined based on an assessment of the organization's needs at the time of the leadership transition.
  - b) The rate of compensation shall be based on the IRS three step procedure for executive compensation described in the instructions for form 990.
    - i. Review by the Personnel Committee;
    - ii. Use of "comparability" data;
    - iii. Documentation of the board's consideration and approval of the compensation.
2. Responsibilities of the Interim CEO
- a) An Interim CEO shall have full authority for day-to-day decision-making and independent action as the regular CEO.
  - b) Decisions that shall be made in consultation with the Board President 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.
  - c) For additional communication guidelines refer to the organization's operating policies on transitions.
3. Board Oversight and Support to the Interim CEO
- a) The Interim CEO reports to the Board President.
  - b) The Executive Committee shall be alert to the special support needs of the Interim President in this temporary role. The Executive Committee shall convene monthly when an Interim CEO is hired.
  - c) The Board President and Executive Committee are responsible for gathering input from staff and reviewing the performance of the Interim CEO according to the organization's Performance Review Policy. An initial review shall be completed between 30 and 45 days and 90 days thereafter.

## **VIII. Approvals and maintenance of record**

### **A. Emergency Succession Plan Approval**

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

### **B. Signatories**

1. The Board President, the CEO and the appointees designated in the Emergency Succession Plan shall sign the plan.
2. At all times the Board President and Treasurer and at least one Director level staff, in addition to the CEO, shall have signature authorization for checks and contracts for the organization

**C. Maintenance or record**

Copies of this plan shall be maintained by the Board Secretary and the Director of HR. Copies of the plan will be made available to the UBCSS auditor and attorney.

**D. Financial Considerations**

1. It shall be the responsibility of the Executive Committee to review the organization's finances during an unplanned absence of the CEO
2. UBCSS maintains an operating reserve that the Board President is authorized to access with Executive Committee approval.

Approved month/date/year

Attachments:

- Transition Committee description
- Up to date cross training plan (as of 6/28/2012 in progress)
- CEO position description (as of 6/28/2012 in progress)
- Transition signatures