

Sample Succession Plan Policy

Policy statement:

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

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

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

Procedures for succession:

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

Within five (5) business days appoint an interim executive director according to the following line of succession:

- Deputy Director of [ORGANIZATION]
- Associate Director of [ORGANIZATION]
- External consultant (with experience as an interim executive director)

Within fifteen (15) business days appoint an executive transition committee, in the event that a permanent change in leadership is required. This committee shall be comprised of at least one member of the executive committee and two members of the board of directors. It shall be the responsibility of this committee to implement the following preliminary transition plan:

- Communicate with key stakeholders regarding actions taken by the board in naming an interim successor, appointing a transition committee, and implementing the succession policy. The organization shall maintain a current list of key stakeholders who must be contacted, such as lenders and investors of the [ORGANIZATION], foundations, government agencies, etc.
- Consider the need for consulting assistance (i.e., transition management or executive search consultant) based on the circumstances of the transition.
- Review the organization's business plan and conduct a brief assessment of organizational strengths, weaknesses, opportunities, and threats to identify priority issues that may need to be addressed during the transition process and to identify attributes and characteristics that are important to consider in the selection of the next permanent leader.
- Establish a time frame and plan for the recruitment and selection process.
- Refer to the Executive Director Hiring Policy and Procedures in the personnel handbook for additional procedures.
- The board should use similar procedures in case of an executive transition that simultaneously involves the executive director and other key management. In such an instance, the board may also consider temporarily subcontracting some of the organizational functions from a trained consultant or other organizations.