

Leadership Development and Emergency Succession Plan

With appreciation to the Association of Baltimore Area Grantmakers for the template

Rationale

The president/CEO position in a nonprofit organization is a central element in the organization's success. Therefore, ensuring that the functions of the president/CEO are well-understood and even shared among senior staff and volunteer leaders is important for safeguarding 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 Arts Alliance. This plan reflects The Arts Alliance's commitment to sustaining a healthy functioning organization. The purpose of this plan is to ensure that the organization's leadership has adequate information and a strategy to effectively manage The Arts Alliance in the event the president/CEO is unable to fulfill her duties.

1) Plan Implementation

- a) The board of directors authorizes the board chair to implement the terms of this emergency succession plan in the event of a planned or unplanned temporary or short-term absence.
- b) It is the responsibility of the president/CEO to inform the board of directors of a planned temporary or short-term absence and to plan accordingly.
- c) It is the responsibility of the president/CEO or in his/her absence, the business manager, to immediately inform the Board Chair of an unplanned temporary or short-term absence.
- d) 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.

2) Priority Functions of the President/CEO at The Arts Alliance

- a) The full president/CEO position description is attached to this plan.
- b) Among the duties listed in the position description, the following are considered to be the key functions of the president/CEO and have a corresponding temporary staffing strategy

3) Leadership Transitions - The positions assigned in the Temporary Staffing Strategy are based on The Arts Alliance's organization structure as of March 2016. In the event this plan is implemented and assigned positions are vacant or no longer available, the board chair shall select other senior staff to support each of the key president/CEO functions.

Key president/CEO functions	Temporary Staffing Strategy
Leadership and Vision	Board chair
Board administration and support	Business manager
Stewardship and development	Stewardship chair and development associate
Financial management	Treasurer with business manager
Human Resources	Business manager
Community & Public Relations	Board chair with communications associate
	Board chair

1) Short-term succession - temporary, planned or unplanned absence.

a) Definitions

- i) A temporary absence is one in which it is expected that the President/CEO will return once the events precipitating the absence are resolved.
- ii) An unplanned absence is one that arises unexpectedly, in contrast to a planned leave such as vacation or a sabbatical.
- iii) A temporary absence is 30 days or less.
- iv) A temporary short-term absence is between 30 and 90 days.

2) Temporary Staffing Strategy

- a) In the event of a temporary short-term planned or unplanned absence, the Executive Committee shall determine if the Temporary Staffing Strategy is sufficient for this period of time.
- b) Appointing an interim President/CEO
- c) Based on the anticipated duration of the absence, the anticipated return date and accessibility of the current president/CEO, the Executive Committee may appoint an interim president/CEO as well as continue to implement the Temporary Staffing Strategy.
- d) Standing Appointees to the position of interim President/CEO
 - i) The first position in line to be interim President/CEO is the current board chair. If the current board chair accepts the position he/she will take a temporary leave from the board of directors.
 - ii) The second position in line is a previous board chair or current board member.
 - iii) The third position in line is director-level staff.
 - iv) In the event the available staff is new to the position or fairly inexperienced with The Arts Alliance, the executive committee may consider another appointee or the option of splitting executive duties among designated appointees.
- e) Cross-Training Plan
 - i) The president/CEO shall develop a training plan for each director-level position for each of the key functions of the president/CEO listed in Section 3.
 - ii) An up-to-date training plan shall be attached to this document.
- f) Authority and restrictions of the interim president/CEO
 - i) The interim president/CEO shall have full authority for day-to-day decision making and independent action as the regular president/CEO.
 - ii) Decisions that shall be made in consultation with the board chair and/or executive committee include staff hiring and terminations, financial issues, taking on a new project and taking public policy positions on behalf of the organization.
 - iii) For additional communication guidelines refer to The Arts Alliance's *Communications Guidelines*.
- g) Compensation
 - i) Director-level staff appointed as interim President/CEO will receive a salary adjustment determined by the executive committee based on the duration of the assignment and available resources.
 - ii) A current or former board member appointed as interim director may enter into an independent contractor agreement, depending on the circumstances of their availability.
 - iii) The president/CEO on leave is eligible for paid leave and disability insurance. The Arts Alliance

currently maintains a long-term disability policy that becomes effective at 90 days.

h) Board oversight and support to the interim president/CEO

- i) The interim president/CEO reports to the board chair. In the event the board chair becomes the interim president/CEO, the vice-chair shall be appointed board chair.
- ii) The executive committee shall be alert to the special support needs of the interim president/CEO in this temporary role. The executive committee shall convene monthly when an interim - resident/CEO is appointed.

i) Communications plan

- i) Within 48 hours after an interim president/CEO is appointed, the board Chair and the interim president/CEO shall meet to develop a communications plan including the kind of information that will be shared and with whom.

j) Leadership transition - the following chart identifies key supporters and a primary contact to facilitate communication.

- i) As soon as possible, the board chair and interim president/CEO shall implement the communications plan to announce the organization’s temporary leadership structure to staff, the board of directors and key supporters.
- ii) Within five (5) business days, the board of directors shall distribute a press release with general information appropriate to the situation.

Key Supporters	Communication Responsibility
Community, government and nonprofit leaders	Board chair with designated board members
Foundation program officers (holding grants and contracts)	Stewardship chair with designated board members
Major Donors	Stewardship chair with designated Board Members
Members	Communications associate through e-Newsletter
Operating Support (based on need)	<ul style="list-style-type: none"> ▪ Auditor ▪ Legal Counsel ▪ Insurance Agent

3) 5. Long-term succession plan in the event of a temporary, unplanned absence

- a) Definition - a long-term absence is 90 days or more.
- b) Leadership transitions - Procedures and conditions to be followed shall be the same as for a temporary short- term absence with the following addition:
 - i) The executive committee shall give immediate consideration, in consultation with the interim President/CEO, to temporarily filling the management position left vacant by the interim president/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 interim director to carry the duties of both positions.
 - ii) The board chair and executive committee are responsible for gathering input from staff and reviewing the performance of the interim president/CEO according to the organization’s performance review policy. A review shall be completed between 30 and 45 days.

4) Succession plan in the event of a PERMANENT unplanned absence.

- a) Definition - a permanent absence is one in which it is firmly determined that the president/CEO will not be returning to the position.
- b) Procedures and conditions to be followed shall be the same as for a temporary short- term absence with the following additions:
 - i) The board of directors shall consider the need to hire an interim president/CEO from outside the organization instead of appointing an interim president/CEO. This decision shall be guided, in part, by internal candidates for the President/CEO position, the expected time frame for hiring a permanent executive, and the management needs of the organization at the time of the transition.
 - ii) The board of directors shall appoint a transition committee to implement the organization's executive succession policy to transition to a new permanent president/CEO.
- c) Hiring an interim president/CEO
 - i) If an interim president/CEO is hired, the board chair and executive committee shall negotiate an employment agreement with a defined scope of work.
 - ii) The scope of the agreement with an interim president/CEO shall be determined based on an assessment of the organization's needs at the time of the leadership transition.
 - iii) The rate of compensation for the interim president/CEO shall be based on precedent and available resources.

5) Responsibilities of the interim president/CEO

- a) An interim president/CEO shall have full authority for day-to-day decision making and independent action as the regular president/CEO.
- b) Decisions that shall be made in consultation with the board chair 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) Leadership Transitions
 - i) Board oversight and support to the interim President/CEO
 - ii) The interim president/CEO reports to the Board Chair.
 - iii) The executive committee shall be alert to the special support needs of the interim president/CEO in this temporary role. The executive committee shall convene monthly when an interim president/CEO is hired.
 - iv) The board chair and executive committee are responsible for gathering input from staff and reviewing the performance of the interim president/CEO according to the organization's Performance Review Policy. An initial review shall be completed between 30 and 45 days and 90 days thereafter.

6) Approvals and maintenance of records

- a) Emergency Succession Plan Approval
 - i) This emergency succession plan shall be approved initially by the board of directors.
 - ii) Thereafter the executive committee shall review the plan and recommend amendments to the full board as needed.

7) Signatories

- a) The board chair, the president/CEO and the board secretary shall sign the plan.
- b) At all times the board chair and treasurer and at least one director-level staff, in addition to the interim president/CEO, shall have signature authorization for checks and contracts for the organization.

8) Maintenance of record

- a) Copies of this plan shall be included in the *Board of Directors Manual* and made available to all staff, the organization's auditor in accordance with document retention requirements.

9) Financial Considerations

- a) It shall be the responsibility of the executive committee to review the organization's finances during an unplanned absence of the president/CEO.