

**A TOOLKIT FOR HEALTH  
CENTER BOARDS**

# CEO Succession Planning



## **About NACHC**

Established in 1971, the mission of the National Association of Community Health Centers (NACHC) is: *“To promote efficient, high quality, comprehensive health care that is accessible, culturally and linguistically competent, community directed, and patient centered for all.”*

## **Resources for Health Center Boards**

NACHC offers a variety of resources to support the effective governance of health center boards, and help boards navigate the complex health care environment. To access these resources, visit the ***Health Center Resource Clearinghouse*** (<https://www.healthcenterinfo.org>, under “Governance”).

## **Acknowledgements**

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# Introduction

One of the most important and perhaps easiest steps the health center board of directors can take to ensure business continuity, is to create a succession plan for your chief executive position. This type of plan ensures the availability and continuity of leadership in the most crucial role in the organization – the chief executive officer (CEO) position.<sup>1</sup>

## CEO Succession: Key Components

CEO succession planning consists of the following components:

1. **A Chief Executive Succession Policy** – a board adopted policy that outlines the principles, procedures, roles, and responsibilities that the board will follow when the chief executive eventually decides to leave the role. This policy provides the board with well thought-out guidelines needed to manage the transition from one CEO to the next.<sup>2</sup>
2. **A Chief Executive Backup Plan** – a plan that defines how the board would manage short- and long-term absences of the chief executive officer. It ensures continuous coverage of the executive’s critical functions by designating an individual who will be cross trained to serve as the backup in the event of the CEO’s absence.

Some health centers may also wish to create a **Critical Information and Contact Inventory** (template available in Appendix 2, Attachment 3). This is an inventory of the information that is critical for business continuity. It is often a helpful tool for smaller organizations where

critical information may otherwise “walk out the door” when the CEO leaves. However, it may also be helpful to medium and large centers as well.

Whether a CEO is new or has served for an extended period of time, a Chief Executive Succession Policy and a Chief Executive Backup Plan are recommended. There are various reasons why CEO succession planning is important for a health center and its board. This process can:

- **Mitigate the risks of unplanned CEO absences** by ensuring there’s a cross trained individual to step into the role on a temporary basis, in the case of an emergency.
- **Increase the likelihood of a successfully managed transition when it does occur** because the board has a process to manage the transition and, therefore, a better understanding of the CEO’s role. Foresight, planning, and better understanding lead to better decisions and better outcomes.
- **Break the ice about succession planning.** Succession planning is a touchy subject in too many organizations. Working on a succession plan, however, is a great way to get the conversation going and get beyond the inertia of avoidance. Such efforts protect the organization and are not intended to prematurely remove an executive. Some education may be needed to help the CEO and board understand the importance and purpose of this process.

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1 This publication uses Chief Executive Officer (CEO) throughout the document. Health centers may also call this leader the Executive Director or Project Director. Project Director is a title that appears in the Health Resources and Services Administration (HRSA) *Health Center Program Compliance Manual* (see [Chapter 11: Key Management Staff](#)).

2 See NACHC’s *Navigating CEO Transitions: A Toolkit for Health Center Boards* for more information on navigating the CEO transition process.

- **Strengthen the organization in other ways**, for example, by opening a dialogue about management bench depth (the ability of an organization to immediately fill a critical position), the delegation of duties from an overburdened CEO, organizational sustainability, and other capacity-building opportunities.

These plans are an important part of good governance and good stewardship. Leadership transitions are inevitable. The best, most well-managed nonprofits do not leave the question of leadership continuity to chance. Through this toolkit, you can have tools too.

### **CEO Succession Planning in Times of Crises**

The COVID-19 pandemic brought the importance of succession planning to the fore for many organizations. During times of crisis, it can be difficult to focus on succession planning. However, ensuring that the health center has a CEO Backup Plan and CEO Succession Policy can be even more critical during such times. For example, what would a health center do if a CEO had to take a leave of absence to care for a family member during the COVID-19 public health emergency? Or, what would happen if the CEO opted to fully resign during a time of crisis? Having a CEO Backup Plan and Succession Policy in place means a board can start from a place of strength.

*What if our health center does not have a Chief Executive Succession Policy and Chief Executive Backup Plan in place and our CEO resigns?*

In this case, the board will need to focus on the CEO Transition. A successful transition process is outlined by NACHC in a document called "[\*Navigating CEO Transitions: A Toolkit for Boards.\*](#)" After the CEO Transition process is complete, the Transition Task Force can develop a Succession Policy and a Backup Plan for the chief executive position using guidance in this toolkit.

# Steps to Get the CEO Succession Planning Components in Place

Here are the steps to get a Chief Executive Succession Policy and Chief Executive Backup Plan prepared, reviewed, and approved, as well as to complete the Critical Information Inventory.

## STEP 1 – Organize the Project

Planning for CEO succession is a board responsibility. It is important for a board to officially “sanction” the project as an indication of their ownership. The board should consider appointing a three- to five-member task force that includes one or two board members, the chief executive, and another member of the executive team. Having a task force can expand the thinking about succession planning and provide a broader review of the policy and the backup plan before they are submitted to the board. Having board members on the team will help ensure the board’s ownership of the process and expand the board’s understanding of the executive’s role. As an alternative, especially if the health center has not previously engaged in CEO succession planning, the full board may wish to engage in this process to ensure shared understanding and transparency in the process.

Additionally, if the health center has not previously engaged in CEO succession planning, the board chair should reach out to the CEO in advance to ensure there is shared understanding. The CEO should be made aware that this process is about risk mitigation and future planning; it is not to force a CEO from the position or name a successor. Some of these myths may also need to be addressed with the board. Engaging the CEO in the planning as an active participant will significantly improve the process.

## STEP 2 — Update the Chief Executive’s Job Description

Before creating the policy or backup plan, make sure that the chief executive’s job description is up to date. To do that, the board can unpack, refit, and recalibrate the job.

- *Unpack* — explore how the job is currently being carried out in practice, not just what is on paper.
- *Refit* — update the job description to reflect the present. Delete what is out of date. The CEO can define what is important but no longer fits the role and add current duties that are not reflected in the job description.
- *Recalibrate* — consider how the role might evolve over the next few years to make sure that the responsibilities reflect future leadership demands.

An updated job description is a critical tool that defines the “business-as-usual” responsibilities that a designated backup will need to cover when filling-in for the chief executive. Do not go on to the next steps without updating the job description first.

## STEP 3 – Use the Chief Executive Succession Policy Template

Please refer to **Appendix 1: Sample Chief Executive Succession Policy**.

Use the *Sample Chief Executive Succession Policy* template for your health center. Replace the placeholder terms enclosed in [brackets] with your organization’s name and update the terms you use for the various items identified in the policy. Make other changes as needed.

## **STEP 4 – Use the Chief Executive Backup Plan Template and Attachments**

Please refer to *Appendix 2: Sample Chief Executive Backup Plan*.

- Just as you did in the policy template, replace the placeholder terms enclosed in [brackets] with your health center’s name and terminology.
- Attach the chief executive’s revised job description as Attachment #1.
- Fill in the information on Attachment #2.
- Consider whether Attachment #3: **Critical Information and Contact Inventory** is needed. The Critical Information Inventory includes information needed to ensure business continuity. These are things like corporate records, tax certificates, donor and bank information, etc. Completing this inventory will ensure that crucial business-continuity information gets documented. It should be stored securely based on center policies regarding important records.

## **STEP 5 – Discuss the Backup Plan with the Designated Backup**

In part, the backup plan is an agreement between the chief executive and the individual who is going to be the backup person when the chief executive is absent. First, make sure that this person agrees to be the chief executive’s backup. Second, ensure that the backup person understands the responsibilities involved. And, third, make sure the chief executive and the backup person agree about any cross training the backup might want or need.

Note that the responsibilities to be included in the backup plan are not necessarily all of the chief executive’s responsibilities. Instead, it should include just those responsibilities required to maintain “business as usual” during the chief executive’s absence.

As noted in Step 8, the backup plan will need to be revised if the backup person leaves the organization or if their status changes and they are no longer a viable backup for the position.

## **STEP 6 – Review and Reflect with the Planning Task Force**

If you organized a planning task force in Step 1, complete this step. Otherwise, skip ahead to Step 7 (or read below for an alternative way to carry out this step).

Before submitting the backup plan and succession policy documents for the board’s approval, review them with your planning task force. Here are some questions for the task force to consider (note: if skipping this step, these questions could be considered by the full board as part of Step 7, or the task force could share answers from their discussions with the full board and seek further input):

- What have we learned about the sustainability, bench depth, or other opportunities for capacity-building at our health center? Are there specific actions we should take, such as providing better support for the CEO?
- Do the steps we have identified for CEO succession appropriately reflect our health center’s values, scale, and capabilities?
- Do the policy and the plan provide enough detail and sufficient guidance for the board leaders who will implement these plans, or for those who are stepping into the backup role(s)?
- Are the policies and the plan simple, clear, and direct?

## **STEP 7 – Have the Board Review and Approve the Succession Policy and Backup Plan**

Send the documents to the board in advance. Let your planning task force members – particularly the board members on the task force– know they should be ready to have an

in-depth discussion with their board colleagues about the contents. If the board is not using a task force, make sure the board chair is fully briefed and supports the contents of the documents. Conduct a vote to ensure the board formally approves both the Chief Executive Succession Policy and Chief Executive Backup Plan, and document this in the board meeting minutes.

### **STEP 8 – Finalize and Set a Date for an Annual Update and Review**

The board should review the policy and backup plan annually to keep the documents updated. This will also keep it fresh in the board members' minds that they have these plans in place. The backup plan will need to be revised if the backup person leaves the organization, or if their status changes and they are no longer a viable backup for the position.

### **STEP 9 – Make Sure the Designated Backup is Cross-Trained**

After the board has approved the final documents, make sure that necessary cross-training takes place as identified in the backup plan.

Finally, consider your observations about organizational sustainability, and factor those into your other planning and capacity-building work. For example, does the board need to be providing better support for the CEO? Does additional investment need to be budgeted for management team training?

#### **Tip: Encourage the CEO to Create Backup Plans for Other Leadership Positions**

After you complete the backup plan for the chief executive position, consider encouraging your CEO to take this planning to the next level by having the members of the senior management team complete their own backup plans. Since the management team reports to the chief executive, their plans do not need to be reviewed by the board. Instead, they are approved by the chief executive. More than an "insurance policy," completing these plans across the management team can lead to great insights about bench depth and coverage for critical functions.



# Additional Approaches to Succession Planning

While this toolkit is focused on key components to prepare a Chief Executive Succession Policy and Chief Executive Backup Plan, there are additional approaches to succession planning. These include:

- **Leader Development Planning** – This approach involves an ongoing, systematic process to assess, acquire, develop, and align organizational talent in a way that builds the organization’s capacity. Often, this is done within a framework called “talent management,” which also provides a critical link between organizational goals and performance. The idea is that the organization is forecasting its future leadership-talent needs, and in turn, is reviewing internal leaders and assessing whether they have the potential to move into forecasted roles. If they do, they are provided the training, development, and mentoring needed to increase their capacity for that new or expanded future role. This goes beyond the CEO role and, for key leadership roles other than the chief executive, is led by the CEO.
- **Internal Chief Executive Succession Planning** – This can take many forms but it is essentially when the CEO and board focus on senior leadership development so an agreed upon internal candidate can be groomed to step into the CEO role when a transition occurs. This can be awkward for the potential candidate(s) and requires a thoughtful process. Still, there are high odds of success when the process is done well. It also means the board decides to forego a competitive external talent search when a transition occurs. This approach can be risky if the potential future leader leaves the organization before a vacancy occurs in the CEO role. It is strongly suggested that a board develops the chief executive succession policy and backup plan outlined in this toolkit along with this approach.

# Appendices

# Appendix 1: Sample Chief Executive Succession Policy

## [Organization Name] Chief Executive Succession Policy

### Purpose

This section is written to reflect current best practices in succession planning. Feel free to adjust it to reflect the philosophy of your health center.

The purpose of this policy is to clarify and outline [organization's] commitment to ensuring the availability, continuity, and appropriate development of our organization's leadership talent through a systematic approach to succession planning, and our commitment to a well-managed leadership transition.

We believe that succession planning is essential to ensure our organization's ongoing sustainability, growth, and development. Further, we believe that having a CEO Succession Policy in place enables a well managed leadership turnover and provides the chance to capitalize on the capacity-building opportunities inherent during leadership change.

For the purposes of this document, *succession planning* refers to the plans and preparation that ensure overall continuity in leadership positions, and the development of leadership talent. *Chief executive transition* refers to the plans and actions involved in managing the turnover in the CEO position. This includes diligent planning for leadership change, a robust successor search and selection process, and the provision of deliberate orientation and onboarding for the new executive. Together these tools ensure the continuity and advancement of our organization's work.

With respect to the CEO role, this policy is supplemented by a companion document, the CEO Backup Plan.

### Responsibilities

This section clarifies the role of the board chair, the board, the Executive Committee, and the current chief executive. Adjust this section as needed based on how roles will be handled at your center and your board's committee structure. Responsibilities can also be included in the charters for various committees.

- The board chair, in consultation with the Executive Committee, is responsible for implementing this policy and ensuring the procedures are initiated.
- The board is responsible for:
  - Reviewing and updating this policy and the companion Chief Executive Backup Plan at least annually or as organizational changes occur.
  - Ensuring that best practices are followed in planning for leadership succession and managing executive transitions.
  - Selecting and hiring an external interim executive, if necessary.
- Appointing a Chief Executive Transition Task Force to manage all three phases of a CEO transition, when needed, to: (1) prepare for a leadership change, (2) search and select a new leader, and (3) onboard and support the new leader.
- Selecting the best candidate for the CEO position.
- The Executive Committee is responsible for:

- Notifying key stakeholders of the leadership change.
- Ensuring compliance with the following HRSA requirement:<sup>3</sup>  
“The health center must request prior approval from HRSA for a change in the key person specified in the **Health Center Program award** or Health Center Program **look-alike** designation.”
- The current CEO is responsible for:
  - Ensuring that backup plans are in place for all executive leaders and other mission-critical staff positions.
  - Continuously identifying, encouraging, and developing senior managers and other staff members to meet [organization’s] future leadership needs.
  - Managing the orderly transition for all staff roles other than the CEO position.
- The board will maintain an up-to-date Chief Executive Backup Plan that addresses unplanned absences as well as planned CEO transitions. This plan is approved by the board and reviewed and updated at least annually.
- The CEO will maintain up-to-date executive backup plans that address unplanned absences as well as planned transitions for all senior management positions. Those plans do not require board approval.
- [Organization] is open to and will consider both internal and external candidates when filling the CEO position. A national search will be conducted unless the board concludes that a current staff member is most appropriate and available for the job.
- To provide career advancement for staff, the organization is committed to encouraging the professional development of all employees.
- To support proper due diligence and ensure that the best possible candidate is hired, the organization is committed to a vigorous search and selection process that includes internal and external candidates.
- To develop a finalist pool that reflects the community, the organization commits to prioritizing diverse candidates as part of a CEO transition.
- The optimal time for the CEO to disclose his/her departure plans to the board is at least six months before the departure date, although 12 months would be preferable.
- The board understands that the time required to complete a planned CEO transition is at least six months.

## Guiding Principles

This section might need some adjustment based on the size of your health center and to fit the philosophy of your organization. For example, does your organization have preferences about internal versus external candidates? If so, you might replace the fourth bullet with language like this: “As a matter of policy, [organization name] believes in promoting from within. Therefore, we will consider internal candidates first for any vacancies before opening the search to external candidates.”

- [Organization] is committed to always being prepared for unexpected absences and leadership transitions in all senior management positions, including the CEO role.

3 See HRSA *Health Center Program Compliance Manual, Chapter 11: Key Management Staff*.

## Procedure for Managing a CEO Transition

This section outlines the board's six tasks for successfully managing a chief executive transition. Consider using the term "Transition Task Force" rather than "Search Task Force" to help dispel the notion that the board's only job is to search for and hire the successor. Rather, their job is to ensure a successful transition, and that involves some serious pre-search planning (not just dusting off the old job description) and post-hire follow-through to onboard and support the new executive.

In large organizations, the Transition Task Force tends to be larger. At times, the full board may also serve as the task force though this can be difficult to manage from a logistics perspective.

Including a senior staff member on the Transition Task Force is fairly routine. However, it is not recommended to have them participate in the committee's interviews of CEO candidates.

Refer to the National Association of Community Health Centers (NACHC) publication which provides a detailed overview of the CEO transition process (see "*Navigating CEO Transitions: A Toolkit for Health Center Boards*").

In the event of an impending planned or unplanned vacancy in the CEO position, the board will undertake six tasks as outlined below. It will also **appoint a Transition Task Force** and charge it with planning and managing the transition, including the search for and selection of a successor. The Transition Task Force will be comprised of [five] members. The board may also consider appointing a staff member to the Transition Task Force

for the purposes of planning and preparing the organization, but staff members will not participate in the interviews of the CEO candidates.

1. **Understand and guide the transition.**
  - a. Recognize that a CEO transition involves an organizational change process and not just the appointment of a new CEO.
  - b. Commit to understanding the scope, nature, and dynamics of the transition, and take that into account to plan and guide the process.
  - c. Manage the entire transition process from planning for the leadership change through the conclusion, making sure the new executive is properly onboarded and supported.
2. **Prepare for a leadership change.**
  - a. Ensure that the organization is stable and ready for a new executive to assume the leadership role.
  - b. Ensure that the CEO job is ready for a successor to step into the position and effectively accomplish the job. Make sure that the job has been unpacked and refitted to reflect present requirements with consideration for the future direction of the organization.
  - c. Ensure team readiness by making sure that the board, the Transition Task Force, the departing executive, and senior managers are ready to play their parts in the transition process and are clear about their roles.
3. **Ensure leadership continuity** by appointing an interim CEO if necessary and making sure there's a good handoff between the incumbent CEO and the successor.

4. **Manage transition communications** with appropriate announcements and updates for staff and key stakeholders. Also, ensure that there is positive closure with the current executive, and that there is compliance with the following HRSA requirement:<sup>4</sup>

*“The health center must request prior approval from HRSA for a change in the key person specified in the **Health Center Program award** or Health Center Program **look-alike** designation.”*

5. **Search for, select, and hire the new CEO** with an effective process to recruit a diverse candidate pool, screen candidates, conduct the interviews, make the final selection (by vote of the full board as required by HRSA and an important governance practice),<sup>5</sup> and, finally, negotiate the employment arrangement with the new executive.
6. **Onboard and support the new executive** with an appropriate introduction to the organization and the community, support during the executive’s “take charge” process, and explanation of the four elements for a successful board-executive relationship:
- a. Clear aims and priorities,
  - b. Respective roles and responsibilities,
  - c. Mutual expectations,
  - d. Clear criteria and processes to evaluate performance.

## Roles in a CEO Transition

This section provides details specific to the management of the chief executive transition. First, it clarifies that the departing executive should play a role in the process, especially in preparing the organization to work with the incoming executive and handing off the role to his/her successor. Second, it provides additional detail on the role of the Transition Task Force.

- The departing CEO, in concert with the Transition Task Force, will be involved in some transition activities such as communications, preparing the organization, briefing the incoming CEO, and ensuring there is a successful handoff.
- The **Transition Task Force** will be responsible for:
  - Implementing and managing the board’s six core tasks for a successful leadership transition:
    1. Understand and guide the overall transition process.
    2. Prepare for a leadership change.
    3. Ensure leadership continuity.
    4. Manage transition communications.
    5. Conduct the executive search and recommend candidates to the board.
    6. Plan the orientation and onboarding of the new executive.
- Determining the need for consulting assistance (i.e., transition management consultant and executive search firm) based on the circumstances.
- Securing an appropriate organizational review or assessment, if needed.

4 See HRSA *Health Center Program Compliance Manual, Chapter 11: Key Management Staff*.

5 The HRSA *Health Center Program Compliance Manual* sets the following requirement in Chapter 19: Board Authority: The health center governing board must approve the selection and termination/dismissal of the health center’s Project Director/Chief Executive Officer (CEO). For more information on HRSA requirements related to the board and CEO, see *Chapter 19: Board Authority* and *Chapter 11: Key Management Staff*.

- Scheduling and planning a board retreat, as needed, to review and refresh the organization's strategic plan and recalibrate the CEO role.

## Approval

This section can be adjusted to reflect how board approval is practiced at your organization. In any event, it is important to get the approval of this policy noted in the minutes of the board meeting where the policy was reviewed and approved.

Adopted by the [organization's name] Board of Directors on the \_\_\_ day of \_\_\_\_\_, 20xx.

# Appendix 2: Sample Chief Executive Backup Plan

[Organization Name]

## CEO BACKUP PLAN

### Guideline for the Appointment of an Interim CEO

#### Purpose

This section spells out the purpose of the plan and the circumstances under which the plan would be implemented, and references the companion board-adopted Chief Executive Succession Policy.

The purposes of this plan are, first, to ensure the continuous coverage of the key functions of the CEO position by designating an individual to serve as the Interim CEO in the event of a planned or unplanned CEO absence. Second, to outline the circumstances and process under which this plan will be implemented. This document is a companion to the [Organization's] Chief Executive Succession Policy, which outlines the organization's principles and practices for leadership succession and transition.

#### Key Functions of the CEO

This section refers to Attachment #2 to this template, which is covered below.

*Attachment #2* outlines the key functions of the CEO that are required to maintain business as usual in the health center and names the individual designated to provide backup for those functions. It is the responsibility of the CEO to ensure that the designated backup receives appropriate cross-training to successfully cover the key functions.

#### Implementation

This section simply clarifies that the board chair is responsible for implementing the plan, or the vice chair if the board chair is not available. This section can be adapted, especially anything contained in [ ].

The board of directors authorizes the board chair (or the [board vice-chair] if the board chair is not available) to implement this plan in the event of an absence of the CEO. Phone calls, conference calls, and meetings via an electronic platform (e.g., Zoom, GoToMeeting, etc.) are an acceptable substitute for any meetings designated in this plan.

#### Definitions

This section defines the meaning of the terms temporary versus permanent, unplanned versus planned, and short-term versus long-term absence.

A *temporary absence* is one in which it is expected that the CEO will return to the 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 a vacation or a sabbatical.

A *short-term* absence is three months or less; a *long-term* absence is one that is expected to last more than three months.



A *permanent* absence is one in which it is firmly determined that the incumbent CEO will not return to the position.

## Emergency Backup Plan: Short-Term Unplanned Absence

As the name implies, this section is intended to outline the action plan in situations where the chief executive is unexpectedly and temporarily unavailable. This section can be adapted, especially anything contained in [ ]. Smaller organizations that must rely on an external Interim CEO to provide bridge leadership, will want to adjust this section accordingly. For example, this might mean changing part of Section A to read:

- *“The [board chair] consults with the staff on the circumstances of the absence, the organization’s situation, and related factors, making the necessary adjustment to the Communications Plan below and devising a short-term strategy to cover vital functions.*
- *The Executive Committee immediately begins the process to engage an external interim executive.*
- *Stakeholders will be notified of the temporary staffing structure as the [board chair] directs.”*

### A. Appointing an Interim CEO

- In the event of an unplanned absence of the CEO, a member of the [senior management team] will immediately inform the board chair of the absence, or the [board vice-chair] if the board chair is not available.
- As soon as possible following the notification, the [board chair] confers with the board’s Executive Committee on the implementation of this plan and opt to modify the plan or adjust its implementation.

- The full board is convened to appoint the interim CEO.
- The board chair (and potentially other officers) consults with the Interim CEO on the circumstances of the absence, organizational situation, and related factors, making necessary adjustments to the Communications Plan below.
- After the board chair and Interim CEO confer, the staff and stakeholders will be notified of the temporary staffing structure.

### B. Authority of the Interim CEO

The acting or Interim CEO may have the same authority for day-to-day decision-making and independent action as the CEO **except** for decisions that require board approval including:

- Program expansion or divestiture
- New partnerships or collaborations with external parties
- Taking public or policy positions on behalf of the organization
- Financial decisions not included in the current approved budget
- Check signing over \$[XXXX]

### C. Compensation

The [board chair], in consultation with the [board], may make a salary adjustment for the Interim CEO for the duration of the transition process.

### D. Oversight and Support to the Interim CEO

The [board chair] and board of directors will have the responsibility for monitoring the work of the Interim CEO. The Interim CEO will provide regular updates and meet with the [board chair] as the [board chair] may determine. The [board chair] will also be alert to the special support needs of the Interim CEO serving in this temporary leadership role, and act to address them.

### E. Backfilling for the Interim CEO’s Former Role

The [Interim CEO in consultation with the board chair] will consider other temporary

appointments necessary to backfill the former responsibilities of the Interim CEO to ensure smooth functioning of the organization.

### **Emergency Backup Plan: Long-Term, Unplanned Absence**

This section assumes that the organization is appointing a staff member to serve as the Interim CEO. In that case, if the chief executive's absence will last longer than three months, the board chair and Interim CEO should discuss whether a more robust approach is needed to backfill the interim's former functions. In other words, they should determine what help is needed to cover both jobs. If the organization is appointing an external person in the role, this section may be irrelevant.

The same procedures should be followed for a short-term absence, but the [board chair] and Interim CEO should revisit the backfilling plan given the extended period of time.

### **Emergency Backup Plan: Permanent Unplanned Absence**

In the case of a permanent absence, the board should begin the transition process by appointing the Transition Task Force.

**Approved by:**  
Board of Directors on \_\_\_\_\_

\_\_\_\_\_  
[Board Chair Name], [Title]

\_\_\_\_\_  
[CEO's Name], [Title]

The same procedures should be followed for a long-term temporary absence, however, the board chair will also appoint a Transition Task Force in accordance with the organization's Chief Executive Succession Policy.

### **Approval, Revisions, and Maintenance**

This section affirms that revisions to this plan require approval by the [organization's] board. The board should also review the plan at least annually or when the person designated as the backup to the chief executive is no longer available, and designate who should maintain copies of this plan.

Revisions to this plan require approval by the [organization's] Board of Directors. The plan will be reviewed annually or if a designated backup appointee is no longer available to serve as the Interim CEO. The board chair, the CEO, and the designated backup appointee(s) will maintain copies of this plan.

**Acknowledged by:**  
I acknowledge that I have reviewed this plan.

\_\_\_\_\_  
[Designated Backup Name], [Title]

## **Attachment #1: Job Description**

Insert or attach a copy of the UPDATED chief executive's job description here so it is ready for reference in case the plan must be implemented.

(Insert the UPDATED CEO job description here.)

## Attachment #2: Chief Executive Backup Plan Detail

The details in this section are a critical component of the Chief Executive Backup Plan. Just as cross training ensures the person designated as the chief executive's backup has the capabilities to step into the role, the information provided here is vitally important for them to know what to do if called upon.

**Name:** [Insert Chief Executive's name and title]

Designated Backup:

Identify the person who is going to step in as the Interim Chief Executive when needed. Some organizations choose to identify a second backup who will step in if the first backup is not available when required.

First Backup: [Name and title of the person designated as the primary backup]

Second Backup: [OPTIONAL: Name and title of the person designated as the alternate backup if the primary backup is not available]

**Key Functions of the CEO** (those necessary to maintain business as usual)

List the key functions that are necessary to maintain business as usual in the organization. Typically, there are five to seven functions that are most critical, but list what you think is necessary. Consider what sort of cross-training is necessary to ensure the designated individual(s) are ready to step in when needed.

Key functions	Cross-Training Plan (What, How & By When)

## Communications Plan

*Identify the key people to contact if the plan is implemented. Specify who is responsible for making the contacts and how those contacts are to be made, typically through phone calls or email.*

Who must be contacted?	Who will contact?	How?	By when?

## Critical Relationships

Inventory the crucial relationships that are maintained solely by the chief executive. This list may be different than those listed in the Communications Plan, including classes of people as well as individuals. Consider others in the organization who could help maintain those relationships. The purpose of this section is to make sure that there is an inventory of vital relationships and contact information for the organization's records and not just under "the chief executive's hat."

Contact information	Who else could help maintain this relationship?

**Key Events/Milestones Calendar** (that involve the CEO)

This section is self-explanatory. The idea is to identify milestones, activities, meetings, events, and so forth where the chief executive plays a critical role, and list what their specific responsibility is for each of those occasions.

Month	Key Events/Milestones	Associated Activities/Responsibilities
January		
February		
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		

## Attachment #3: Critical Information and Contact Inventory

This worksheet is designed specifically for smaller organizations where the chief executive is also a primary administrator. In larger organizations, much of this information is maintained by several other “chiefs,” such as the chief financial officer, the head of HR, etc. But, even if you have a management team to maintain this information, review the list and flag any items where the chief executive is the sole keeper of that file or that item, and make a note of its location. The idea here is to ensure that information vital to the functioning of the organization is not suddenly unavailable or lost because it only exists inside the head of the chief executive, and thus that knowledge walks out the door with that individual. Store the inventory in a secure location in accordance with health center policy.

Last updated:

Employer Identification Number (EIN) #:

### Corporate Records

Location	
IRS Determination Letter	
IRS Form 1023	
Bylaws	
Board Minutes	



## Financial & Personnel

Location	
Current & Previous Form 990s	
Current and Previous Audits	
Financial Statements	
State or District Sales-Tax Exemption Certificate	
Blank Checks	
Computer Passwords	
Donor Records	
Client Records	
Vendor Records	
Volunteer Records	
Building Lease/Deed	
Personnel Files	

### **Auditor**

Company Name:

Contact Name, Phone Number, & Email:

### **Bank**

Bank Name(s) & Account Number(s):

Authorized check/document signers:

Contact Name, Phone Number, & Email:

### **Board Chair**

Name:

Contact Name, Phone Number, & Email:

**Investments**

Company Name & Account Number:  
Contact Name, Phone Number, & Email:

**Legal Counsel**

Company Name:  
Contact Name, Phone Number, & Email:

**Payroll**

Company Name & Account Number:  
Contact Name, Phone Number, & Email:

**Building Management**

Company Name:  
Contact Name, Phone Number, & Email:

**IT Consultant**

Company Name & Account Number:  
Contact Name, Phone Number, & Email:

**Other External Technology Providers**

Company Name & Account Number:  
Contact Name, Phone Number, & Email:

**Telephone System**

Company Name & Account Number:  
Contact Name, Phone Number, & Email:

**Directors and Officers Insurance**

Company Name & Policy Number:  
Contact Name, Phone Number, & Email:

**General Liability Insurance**

Company Name & Policy Number:  
Contact Name, Phone Number, & Email:

**Other Insurance**

Company Name & Policy Number:  
Contact Name, Phone Number, & Email: