

# **Succession Plan**

## **1. Overview**

### **A. Rationale**

The Executive Director position at the Carousel of Happiness (herein referred to as “the Organization”) is a central element in the organization’s success. Therefore, ensuring that the functions of the Executive Director are well understood and even shared among staff (when applicable) and volunteer leaders is important for safeguarding the organization against unplanned and expected 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 succession plan for the organization. This plan reflects the organization’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 organization in the event the Executive Director is unable to fulfill his/her duties.

### **B. Plan Implementation**

The Board of Directors is authorized to implement the terms of this succession plan in the event of a planned or unplanned temporary or short-term absence. It is the responsibility of the Executive Director to inform the Board President of a planned temporary or short term absence, and to plan accordingly. It is the responsibility of the Board President to immediately inform the entirety of the Board of Directors of an unplanned temporary or short-term absence. As soon as feasible, following notification of an unplanned temporary or short-term absence, the Board shall convene a meeting to affirm the procedures prescribed in this plan, or to modify them as needed depending on the circumstances of the absence/vacancy.

## 2. Short-Term Temporary Succession Plan

### A. Definitions

- I. A **temporary absence** is one in which it is expected that the Executive Director will return once the events precipitating the absence are resolved. A temporary absence is 30 days or less.
- II. A **temporary short-term absence** is between 30 and 90 days.
- III. An **unplanned absence** is one that arises unexpectedly, in contrast to a planned leave such as a vacation or a sabbatical.

### B. Temporary Staffing Strategy

For temporary planned or unplanned absences of 30 or fewer days, the Temporary Staffing Strategy described below may become effective. In the event of a temporary short-term planned or unplanned absence, the Board of Directors shall determine if the Temporary Staffing Strategy is sufficient for this period of time.

#### 1. Priority Functions of the Executive Director

A current and accurate copy of the full Executive Director position description is attached to this plan. Among the duties listed in the position description, the following are considered to be the key functions of the position and have a corresponding temporary staffing strategy.

KEY FUNCTION	TEMPORARY STAFFING STRATEGY
General Operations	Staff Managers (Maintenance, Store, Operators)
Leadership and Vision	Board President
Community Outreach and Engagement	Board President
Financial Management	Board Treasurer
Programs and Fundraising	Fundraising Committee

#### 2. Cross-Training Plan

Ongoing efforts will be maintained to ensure adequate cross-training pertinent to key functions of the Executive Director position occurs, and includes all persons named above (in the temporary staffing strategy).

### **3. Access to and Maintenance of Organization's Documents and Files**

All members of the Board of Directors, and management staff, have access to the organization's files. Upon notice of a temporary or short-term absence, the Board of Directors shall ensure staff and Board have proper access to needed files. Any appointed acting Executive Director will be given access to any files needed to complete their duties.

The Executive Director (regular, interim, or acting) is responsible for maintaining the organization's files, including updating policy documents, sales and fundraising reports, and other documents needed to complete their duties.

The Board (Secretary) is responsible for maintaining the Board's files, including meeting agenda packets, meeting minutes, retreat notes, long-term plans, and other visioning documents passed by the Board of Directors.

### **C. Appointing an Acting Executive Director**

Based on anticipated duration of the absence, management needs of the organization during the period of absence, the anticipated return date, and accessibility of the current Executive Director during the absence, the Board of Directors may appoint an Acting Executive Director, as well as continue to implement the Temporary Staffing Strategy.

#### **1. Potential candidates to serve as acting Executive Director**

Former and Present Board Members, Staff Managers, Former Staff Managers, etc. In the event a current Board member accepts the position of Acting Director, he/she will take a temporary leave of absence from the Board of Directors. This action will be documented in official Board meeting minutes.

#### **2. Board Oversight and Support to the Acting Director**

The Acting Executive Director reports to the Board President. In the event the Board President becomes the Acting Executive Director (and takes the requisite leave from the Board to fulfill that role), the Vice President shall assume these and other Board President duties/roles (as per organization's bylaws). The Executive Committee shall be alerted to the special support needs of the Acting Executive Director in this temporary role. The Executive Committee shall convene monthly, or more frequently, as needed, when an Acting Director is appointed. Meetings may be held in person, via conference call or by email, as deemed appropriate by the Board President. It shall be the responsibility of the Executive Committee to review the organization's finances on a monthly basis during an unplanned absence of the Executive Director (temporary or permanent). The

organization maintains fiscal resources for personnel advertising and salary/contract reserves in its annual operating budget. The Board of Directors are responsible for gathering input from staff and reviewing performance of the Acting Executive Director (if applicable). A review shall be completed between 30 and 45 days.

### **3. Authority and Restrictions of the Active Executive Director**

The Acting Executive Director shall have full authority for day-to-day decision making and independent action as exercised by the regular Executive Director. Decisions that shall be made in consultation with the Board include, but are not limited to: major changes to HR operations or staff configurations, modifications to budget or planned expenses, expenses over \$2,000, financial issues, media communications, and taking public policy positions on behalf of the organization.

### **4. Compensation**

The Board of Directors shall negotiate and determine the appropriate compensation for the Acting Executive Director, with the recommendation of the Executive and/or Hiring Committee.

- I. Current staff members appointed as Acting Executive Director may receive an a) end-of-the-year, one-time salary adjustment (bonus); or b) stipend in addition to current salary.
- II. Current or former Board members appointed as Acting Director will enter into an independent contractor agreement as determined by the Board.
- III. The Executive Director on leave may be eligible for disability insurance (see employee handbook for additional disability leave information).

### **5. Internal Communications Plan**

Within 48 hours of notice of an absence of the Executive Director of any kind, the Board President will notify the organization's staff of the absence. Within 48 hours of appointing an Acting or Interim Executive Director, the Board President will notify the organization's staff. At that time, the Board will also communicate the current plan (whether short-term, long-term, temporary, or permanent) to the organization's staff, including any change to staff duties during the absence.

### **6. External Communications Plan**

Within 48 hours after an Acting or Interim Executive Director is appointed, the Board President and the Acting Executive Director shall meet to develop a communications plan including identification of information that will be shared and with whom, when. The chart below identifies key stakeholders and appropriate individuals responsible for facilitating communications with each. As

soon as possible, the Board President and Acting Executive Director shall implement the communications plan to announce the organization’s temporary leadership structure to staff, the full Board of Directors, and other key stakeholders as deemed appropriate. Within 5 business days, The Board of Directors shall distribute a press release with general information appropriate to the situation (if appropriate). Updated contact information shall be maintained in the organization’s database with the following designations:

- I. Key Contacts – including vendors, contractors, etc.
- II. Donors/Granting Agencies
- III. Current Board members
- IV. Former Board members
- V. Other key collaborative organizations/agencies

KEY STAKEHOLDERS	COMMUNICATIONS RESPONSIBILITY
Donors/Granting Agencies	Fundraising Committee
Staff & Volunteers	Board President
Insurance Company	Board President
Financial Institutions	Board Treasurer
Accountants	Board Treasurer
Merchandise Vendors	Store Manager
Inspectors & Licensing	Executive Director
Marketing & Ad Vendors	Executive Director
Other Key Contacts	Executive Director

**3. Long-Term Temporary Succession Plan**

**A. Definition**

- I. A **temporary long-term absence** is 90-days or more

**B. Procedures**

Procedures and conditions to be followed shall be the same as for a temporary short-term absence with addition of the following steps below.

### **C. Review of the Temporary Staffing Strategy**

The Board of Directors shall give immediate consideration, in consultation with the Acting Executive Director (if applicable), to a) employing an Interim Executive Director (see next section); or b) temporarily filling the management position left vacant by the permanent or Acting Executive Director, or reassigning priority responsibilities where help is needed to other staff or volunteers. This is in recognition that, for a term of 90-days or more, it may not be reasonable to expect an Acting Director to carry the duties of multiple positions.

## **4. Permanent Succession Plan**

### **A. Definition**

- I.** A **permanent absence** is one in which it is firmly determined that the Executive Director will not be returning to the position.

### **B. Procedures**

Procedures and conditions to be followed shall be the same as for a temporary short-term absence with the addition of the following steps below.

### **C. Hiring an Interim Executive Director**

The Board of Directors shall consider the need to hire an Interim Executive Director from outside the organization instead of appointing an Acting Executive Director from within. This decision shall be guided, in part, by internal candidates for the Executive Director position, the expected time frame for hiring a permanent executive, and the management needs of the organization at the time of the transition.

Within 15 days of notice of vacancy or plans to vacate the position, the Board of Directors shall appoint a Hiring Committee to implement the organization's Executive Succession Plan to develop and implement the transition to a new permanent Executive Director.

If an Interim Executive Director is hired, the Board of Directors shall develop a defined scope of work. The Board of Directors shall negotiate a) a stipend or salary; or b) enter into an independent contractor agreement. The scope of the agreement with the Interim Executive Director shall be determined based on an assessment of the organization's needs at the time of the leadership transition. The rate of compensation shall be based on availability of financial resources, and determined by the Board of Directors.

#### **1. Responsibilities of the Interim Executive Director**

An Interim Executive Director shall have full authority for day-to-day decision making and independent action as exercised by the regular Executive Director. Decisions that shall be made in consultation with the Board include, but are not limited to: major changes to HR operations or staff configurations, modifications to budget or planned expenses, expenses over \$2,000, financial issues, media communications, and taking public policy positions on behalf of the organization.

## **2. Board Oversight and Support to the Interim Executive Director**

The Interim Executive Director reports to the Board President. The Executive Committee shall be alert to the special support needs of the Interim Executive Director in this temporary role. The Executive Committee shall convene monthly or more frequently as needed, when an Interim Executive Director is hired. Meetings may be held in person, via conference call or email, as deemed appropriate by the Board President. It shall be the responsibility of the Executive Committee to review the organization's finances on a monthly basis during an unplanned absence of the Executive Director (temporary or permanent). The organization maintains fiscal resources for personnel advertising and salary/contract reserves in its annual operating budget. The Board of Directors are responsible for gathering input from staff and reviewing performance of the Interim Executive Director (if applicable). A review shall be completed between 30 and 45 days.

### **D. Search for Permanent New Executive Director**

It is 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 compatible with the mission, vision, values, goals and objectives of the organization, and who has the necessary skills to lead the organization.

#### **1. Determining Potential Candidates**

When faced with a permanent change in leadership, it is the policy of the organization to develop a diverse pool of candidates and, if possible and prudent, to consider at least three finalist candidates for its permanent Executive Director position. The Hiring Committee should first explore the eligibility and interest of any potential internal candidates for the position. The Hiring Committee shall consider the merits of conducting a comprehensive external recruitment and selection process.

Assuming a comprehensive, external search is to be conducted, potential sites for posting the new Executive Director position opportunity include, but are not necessarily

limited to, a) the organization's website and social media pages; b) local news outlets; c) Colorado Nonprofit Association job board; d) Indeed and other online job boards; e) the organization's email list and network of friends and donors.

## **2. Selection Procedure**

The Board of Directors and Hiring Committee shall be as expedient as possible, while also thoroughly vetting and interviewing candidates. The Hiring Committee shall develop a plan for conducting interviews with potential candidates, determining what, if any, other representation from the Board, Staff or other stakeholders, should be included in the interview process. The Hiring Committee shall have regular communication with candidates to update them on the hiring process, no less than weekly. With input and approval from the Board of Directors, the Hiring Committee is authorized to negotiate appropriate terms of hire (salary, benefits, etc.) with finalist candidates. The Hiring Committee shall make a recommendation regarding hire of the permanent new Executive Director to the full Board of Directors for approval (in person, via email, etc.).

## **3. Determining Training Procedure**

The Board of Directors shall develop and implement an appropriate orientation process for the new Executive Director that may include participation by the current/immediate past Executive Director, the Interim Director (if applicable), other key staff, and Current Board Members. They shall consider whether or not the current/immediate past executive director's participation as a resource in developing the ensuing search process is possible, appropriate and/or would be deemed beneficial to the process and the outcome. If so, the Board of Directors is responsible for outlining the scope of that involvement and negotiating an agreement that reflects the agreed upon scope of involvement.



## **5. Adoption of Policy and Review**

This policy has been reviewed and adopted by The Board of The Carousel of Happiness at the regular meeting on June 16, 2023. Copies of this plan shall be shared with all members of the Board of Directors and designated staff members (as deemed appropriate). A hardcopy of this plan will be available on-site and an electronic copy will be available in the organization's databases. The Board must approve any changes to this policy. The policy will be reviewed bi-annually by the Executive Committee.