

# CEO Succession Planning Template for Nonprofits

Organization Name \_\_\_\_\_

**Purpose:** The purpose of the succession plan is to ensure continuous coverage of the critical CEO duties that are so vital to the nonprofit's sustainability in the event of a CEO vacancy. The purpose of this process is to share the expertise of the departing CEO with the successor and also to prepare the successor and the nonprofit to fully support the successor.

**Definition:** A permanent absence is defined as an existing CEO that will not be returning to the position. A long-term absence is 90 days or more.

## Procedures:

1. The board of directors will consider whether they need to look outside the nonprofit in their quest to recruit and hire an Interim CEO rather than appoint an acting CEO. The board should guide their decision by:
2. Identifying internal candidates for the CEO position.
3. The expected timeframe for hiring a permanent executive.
4. The needs of the nonprofit at the time of the transition.
5. The board of directors will appoint a succession planning committee to implement the CEO succession policy to transition a new permanent CEO. A copy of this policy is attached.

## Hiring an Interim CEO:

1. If the board hires an interim CEO, the board president and executive committee will negotiate an independent contractor agreement with a defined scope of work.
2. The scope of the agreement with an interim CEO will be determined based on the nonprofit's needs at the time of the leadership transition.
3. The [rate of compensation](#) will be based on the availability of organizational resources.

## Responsibilities of the Interim CEO

1. An interim CEO will have the full authority for the daily decision-making and independent action as exercised by the regular CEO.
2. The interim CEO will make decisions in consultation with the board president and/or executive committee including hiring staff, terminating staff, financial issues, initiating new projects, media communications, and taking policy positions on policy on behalf of the nonprofit.

## Board Oversight and Support to the Interim Executive Director

1. The interim CEO reports to the board president.
2. The executive committee will support the needs of the interim CEO in this temporary role. The executive committee will meet monthly, or more frequently is needed, when a CEO is hired. They may hold meetings in person, via conference call, or via video call as called by the board president.

3. The board president and executive committee are responsible for gathering input from staff and reviewing the performance of the interim CEO.
4. The board president and executive committee should conduct an initial review of the interim CEO after 30 days and every 90 days thereafter.

### **Search for New Permanent CEO**

1. The board's role is to assess the permanent leadership needs of the nonprofit to ensure they select a qualified and effective CEO that is compatible with the mission, vision, values, and goals of their nonprofit and its membership, and who has the necessary skills to lead the nonprofit.
2. The succession planning committee should strive to develop a diverse candidate pool when seeking qualified CEO candidates. It's best to narrow the final selection to three finalist candidates for the interview process.
3. The succession planning committee should first explore the interest of any potential internal candidates for the CEO position.
4. The succession planning committee will also consider the merits of conducting a comprehensive external recruitment and selection process.
5. The succession planning committee should also determine whether the current CEO's participation is a valuable resource in pursuing the search process and whether he or she would be beneficial to the process or the outcome. If so, the succession planning committee is responsible to outline the scope of the current CEO's involvement and negotiate an agreement that would allow for the CEO's input, insights, and observations.
6. The succession planning committee will develop a plan for conducting interviews with potential candidates and determine which other people should be included in the interview process.
7. The succession planning committee is authorized to set appropriate salary terms with the finalist candidates, along with input from the executive committee and the finance committee.
8. The succession planning committee will make a recommendation regarding hiring the new permanent CEO to the executive committee and then to the full board of directors for approval.
9. The succession planning committee and the executive committee will ensure that the new CEO has an appropriate orientation process that may include participation by the current CEO, interim CEO, or any other key management staff or board members.