



Executive Succession Plan

I. PLANNING AND PREPARATION

The Board of Directors and Management of Blue Water Developmental Housing, Inc. (BWDH) recognize that a realistic Succession Plan is critical to the future of a strong organization. The complexity of human service organizations has grown over recent years, and this requires a talented and stable management structure. To ensure that committed, capable and experienced management continues to occupy leadership positions, the organization is implementing this plan to:

- A. Ensure continuous service to the people served, their families, our staff and our funding sources;
- B. Anticipate future position needs;
- C. Identify and prepare interested, capable employees for advancement opportunities;
- D. Fill vacancies using internal candidates where appropriate;
- E. Hire and groom future leadership.

This Executive Succession Plan expects that:

1. Equal consideration will be given to internal and external candidates to fill a vacancy.
2. The primary role of the Board of Directors is to set the general direction and ensure the stability and soundness of BWDH. They pledge to protect the interest of the organization by establishment of policy and maintenance of organizational strength and solvency.
3. The primary role of the executive director is to direct the organization in a way that adheres to its mission and guiding principles as well as considers both the long and short-term interests of the individuals served, the organization, our funding sources and staff.
4. The executive director determines the role of each staff member.
5. Each staff member is responsible for the day-to-day operations of their assigned area, within their job descriptions.
6. Each staff member is responsible for their own functional duties and the coordination of duties between their department and the executive director. They have responsibility for providing the executive director with timely information that would have impact on the well-being of the organization.
7. BWDH will strive to keep cross training and backup support for each of the job tasks to ensure uninterrupted service to management, staff, individuals served and funding sources.
8. BWDH encourages advancement from within the organization.
9. BWDH will provide education and training appropriate to the advancement of the individual and the organization.
10. Subject to the Board of BWDH meeting under the succession guidelines, the Board President will assume the position of interim executive director in the case of unexpected or emergency absence. As guidelines indicate, the Board will meet as soon as possible to appoint an interim executive director under the emergency absence guidelines.

Executive Director:

The executive director is accountable to the Board of Directors of BWDH. The executive director is responsible for the efficient and effective operation of the agency, the adherence to its mission, its guiding principles, the adherence to the safety and human rights of the individuals served, the oversight of all agency operations, the adherence to the staffing guidelines and quality set by the organization and carrying out the policies as contained in the bylaws, government regulations and contracts/regulations of funding sources and the State of Michigan. A controlled notification of intent to vacate the executive director position allows for an orderly preparation. This plan addresses both Emergency Succession and Planned Succession.

General Guidelines:

1. The Board of Directors is responsible for appointing an interim executive director whenever necessary.
2. The Board of Directors shall have the authority to engage and compensate external expertise for the search and/or hire process. This may include, but not be limited to attorneys, search consultants or external professional support in the field of human services.
3. The Board of Directors or their designee shall be responsible for all internal and external communications related to the departure of the current executive director, conduct of an executive search, and the announcement of a successor.

II. EMERGENCY SUCCESSION

In the event of the emergency absence of the executive director, the Board of Directors will take the necessary steps to provide for the duties and responsibilities until such time as the executive director returns or a new executive director is named.

A.	THE FIRST 24 HOURS-ONE WEEK	RESPONSIBILITY
1.	The Board President will be responsible for the operations of the organization in collaboration with the executive team composed of the three division director positions (administrative services, community services and residential services) until the Board of Directors makes official the appointment of an interim executive director.	Board President
2.	The following will be considered and informed of the vacancy/absence: BWDH senior management and program supervisors; UHY (organization financial services and independent auditor); Greg Bator (organization attorney); Kathleen Murphy and Robert Stein of MALA; CARF; Department of Housing and Urban Development; St. Clair County CMH (funder); Macomb County CMH (funder); and MORC (funder).	Board President and/or Interim Executive Director

A.	THE FIRST 24 HOURS-ONE WEEK (continued)	RESPONSIBILITY
3.	<p>A meeting of the Board of Directors will be convened as soon as possible, preferably not more than 48 hours after notification. The Board will appoint one of the following: Board President, Board Vice President, or shared responsibility between a program Division Director and Administrative Division Director as interim executive director unless circumstances regarding emergency transition prevent this.</p>	Board President
4.	<p>A meeting of the executive team and program supervisors of BWDH will be held to explain the situation and the anticipated actions. The team will be reminded that the Board of Directors is responsible for any communication related to the situation. Explanations of how they are to relate the situation to staff, persons served, families of persons served, donors and general public will be provided. Considerations for discussion include:</p> <ul style="list-style-type: none"> a. Fact that former executive director is no longer responsible for BWDH. b. Reason for departure - if it can be shared. c. Response that team members can give to staff, funding sources, families, individuals served and others who ask. d. The Board may appoint a division director as responsible for providing information to the media, members, vendors and others. e. The Board will inform the executive team of the person(s) named as interim executive director. f. The Board will inform the projected process for replacement of executive director with anticipated time frames. g. When and how additional information will be distributed - if and how a public announcement will be made. h. The Board will assess if the reason for departure/termination requires legal counsel to represent the organization and the Board of Directors. If representation is required, then insurance agent will be contacted to review insurance coverage for this. 	Board President and/or Interim Executive Director

A.	THE FIRST 24 HOURS-ONE WEEK (continued)	RESPONSIBILITY
5.	<p>Notification, in writing, will be provided to the following:</p> <ul style="list-style-type: none"> a. Michigan Department of Licensing and Regulatory Affairs b. CARF c. Appropriate banks, if required by loan documents d. All families and persons served. e. Provider organizations, i.e., Provider Alliance of Community Mental Health Association of Michigan 	Board President and/or Interim Executive Director
6.	<p>Determine need to:</p> <ul style="list-style-type: none"> a. Secure records and electronic items and access. <ul style="list-style-type: none"> 1) Checking accounts, petty cash, credit cards 2) Employee and client records 3) Loan documents 4) Secure all computer and electronic access (change passwords, phone passwords, change voicemail, secure e-mail accounts, secure computer and computer back-up) 5) Secure the return of company cell phone and disable executive director access to these items if applicable. b. Change combinations and locks if deemed necessary. <ul style="list-style-type: none"> 1) Door locks at all facilities. 2) Security codes at all facilities. 3) Access to safe combinations at all facilities. c. Secure personal property of departing executive director. Ensure that all termination paperwork is completed with former executive director (either with them or their designated family member). This will include payroll reconciliation, health/life insurance benefits, earned time reconciliation and resolution of other benefits. d. Change signature & authorization cards, as appropriate: <ul style="list-style-type: none"> 1) Bank & investment documents. 2) State & federal contracts. 3) State & federal authorizations such as Social Security. 	<p>Interim Executive Director and Finance Director</p> <p>BWDH has a contract with Advanced Digital to provide technology services. Advanced Digital has access passwords for all BWDH employees, including the executive director.</p>

B.	THE SECOND-THIRD WEEKS (within 15 business days)	RESPONSIBILITY
1.	Board of Directors meeting will: a. Determine course of action. b. Establish time frames. c. Board & interim executive director will send out communication, both written & electronic, to all stakeholders informing them of status.	Board of Directors
2.	Board president to consider morale, organizational climate and interim management styles.	Board President and/or Interim Executive Director
3.	Interim executive director will provide support and leadership to the Board.	Board President and/or Interim Executive Director
4.	Determine appropriate compensation for Interim executive director.	Board of Directors
5.	The Board will then follow the Planned Executive Director Replacement Plan as listed below.	Board of Directors
6.	Interim executive director will meet with management teams. The Board President and interim executive director will determine a public relations plan.	Board President

C.	THE SECOND-THIRD MONTHS	RESPONSIBILITY
1.	The Search Committee will continue the Planned Executive Director Replacement plan process as outlined below.	Search Committee
2.	The Board will maintain strong communications with both the staff and the board members as to the progress of events. It is critical that they feel informed and assured.	Board President
3.	Attempt to fill executive director position within 180 days or less.	Search Committee & Board President
4.	Consider necessity of more frequent board meetings. The Board will determine the timeframe of an executive director transition audit as outlined below.	Board President

III. PLANNED EXECUTIVE DIRECTOR REPLACEMENT

Normally, a planned/timed replacement of the executive director allows appropriate preparation and transition of change. The Board of Directors would prefer a 90-180-day announcement of intent to leave in order to have an orderly transition. The following are the administrative guidelines on which BWDH will proceed to fill a proposed and anticipated executive director vacancy:

A.	ADMINISTRATIVE GUIDELINES	RESPONSIBILITY
1.	<p>The Board of Directors will follow the sequences below for the orderly replacement of the executive director. The final schedule of these steps will be determined by the Board and executive director:</p> <p>a. The Board will assign a search committee. Board President will chair the committee. The current executive director/interim executive director will take part as the Board sees fit.</p> <p>b. Acknowledge current executive director retiring or leaving.</p> <p>c. Determine if consultant will be used. Compile potential consultant firms.</p> <p>d. Establish budget requirements. Retain an independent firm to conduct salary compensation package survey for the committee.</p> <p>e. Refine job description; refine attributes and expertise desired.</p> <p>f. Consider posting position first internally for two weeks then on organization websites, trade and advocacy organizations and online advertising sources.</p> <p>g. Prepare and publish advertisement.</p> <p>h. Develop interview plan; begin interviews.</p> <p>i. Select short list of candidates; conduct second interviews; interview process should include role for senior staff, credential search and references.</p> <p>j. Confirm new executive director.</p> <p>k. Develop Introduction Announcement Plan.</p>	<p>Board President/Executive Director</p> <p>Board of Directors</p> <p>Board President</p> <p>Search Committee</p> <p>Search Committee</p> <p>Search Committee & Consultant</p> <p>Division Director of Administrative Services or Human Resource Manager</p> <p>Human Resource Manager</p> <p>Board of Directors/Division Director of Administrative Services</p> <p>Board of Directors</p> <p>Board of Directors</p> <p>Division Director of Administrative Services</p>
2.	<p>Once the Board of Directors determines a new executive director, a transition plan will be developed by the Board, existing executive director, if appropriate, and incoming executive director.</p>	<p>Board of Directors and Search Committee</p>

A.	ADMINISTRATIVE GUIDELINES (continued)	RESPONSIBILITY
3.	<p>The Board of Directors will determine if the search committee will act on the full responsibilities of the search process, or if an outside consulting firm will be used for the bulk of the candidate screening processes. If the Board determines to delegate most of the candidate screening process to an external agency, then the Board will conduct a screening process with potential outside consultant firms. The search committee may obtain assistance from sources such as Michigan Assisted Living Association, Community Mental Health Association of Michigan or other peer organizations for information on search firms. The Board will ensure that the search firm and the search process will be based on the mission and guidelines of the organization.</p>	Board of Directors
4.	<p>Screening of qualified candidates may be the most time-consuming element in recruiting for the position. The committee may want to review the means of conducting a comprehensive screening process. Normally, all resumes will be reviewed for basic qualities and experience, and reduced to a workable number. Final interview candidates will normally be limited to 3-5 candidates. Final presentation to the Board should be the person determined to be the best candidate by the Search Committee and/or consulting firm. If this selection is not accepted by the Board of Directors, the Search Committee and/or recruitment consulting firm should then present their second-choice option. During the search for a new executive director, the Board should be open to input from the employees, as it deems necessary.</p>	Search Committee
5.	<p>Verification of candidate credentials and employability may include, but not be limited to:</p> <ol style="list-style-type: none"> a. Educational Credentials, Professional Reference Checks, to include Board, Peer and Employee Reports. b. Credit Checks. c. Background Checks to include Criminal Record, Office of Inspector General, Drivers Record. 	Division Director of Administrative Services or professional recruitment consultant
6.	<p>Publish articles in appropriate publications:</p> <ol style="list-style-type: none"> a. Announce retirement/departure of current executive director. b. Introduction of new executive director. 	Division Director of Administrative Services

Executive Director Replacement Audit:

Change of executive director audit review should include, but not be limited to, the following:

1. Secure keys to all agency's locks.
2. Change all locks and combinations, if deemed necessary.
3. Count all liquid assets of the organization and reconcile to records. This will include cash.
4. Give executive director a receipt for funds under their control.
5. Inventory and reconcile investments.
6. Inventory organization safe deposit box, if applicable. Review latest entries and entrance card.
7. Review and reconcile supply of blank checks.
8. Remove executive director name from records authorizing them to perform business on behalf of BWDH. Including, but not limited to:
 - a. Bank Accounts to include signature facsimile on all check endorsers
 - b. Security
 - c. Organization Vehicles
 - d. Contracts with Funding sources, HUD Documents
 - e. Investment accounts
 - f. Lending Documents
9. Review any executive director related accounts or electronic communication platforms. Ensure return of company cell phone, disable access to company electronic equipment.
10. Secure any credit cards issued to executive director in the organization name.
11. Supervise the removal of personal possessions.
12. Normal employee exit process will apply, if applicable.
13. Inform employees of change and prepare a response for them for questions. A person designated by the Board of Directors should handle specific questions, particularly from third parties.

IV. SUCCESSION PLANNING LEADERSHIP DEVELOPMENT

To assist future leaders to gain skills and understand responsibilities of the executive director, a member of the executive team will be assigned to be the acting executive director whenever the executive director is on vacation days, away for business trips, or out sick for more than four days. The acting executive director will be responsible for both administrative and programmatic aspects of the organization. The acting executive director may contact the executive director for support and advice; however, the acting executive director is expected to make independent decisions on urgent issues.

The information below is to be completed by division directors and executive director once the succession plan above is approved.

V. OTHER SENIOR LEVEL VACANCIES

The Board is responsible for the effective replacement of the executive director. The executive director is responsible for the replacement of any direct reports, including senior staff. The executive director may work with the division director of administrative services and/or outside agencies or consultants in replacing senior staff.

On a temporary basis, however, the following grid illustrates a guideline for ensuring temporary replacement planning in the case of a senior staff departure (or extended leave of absence). This guideline indicates which position will have primary replacement responsibility, and the position who will have secondary responsibility should the primary not be available:

Position	Primary Replacement	Secondary Replacement
Division Director Administrative Services	Executive Director	
Division Director Community Services	Residential Services Division Director	
Division Director Residential Services	Community Services Division Director	