

Glendale Area Schools CU
Board reviewed and approved: 04/25/2022

816. CEO Succession Policy

General Policy Statement:

A change in executive leadership is inevitable for all organizations and can be challenging. Therefore, it is the policy of the Glendale Area Schools CU to be prepared for an eventual permanent change in leadership – either planned or unplanned – to ensure the stability and accountability of the organization until new permanent leadership is identified. The Board shall be responsible for implementing this policy and its related procedures.

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 representative of the membership and community; a good fit for the organization's mission, vision, values, goals, and objectives; and who has the necessary skills for the organization. To ensure that the organization's operations are not interrupted while the Board assesses the leadership needs and recruits a permanent CEO, the Board will choose interim leadership from one of the following options:

- 1) If the current CEO is present, no additional leadership is required.
- 2) Appoint an interim CEO.
- 3) Allow the Executive staff (CFO, COO, and the Chief HR Officer) to manage their individual areas and by group decisioning for all other matters.
- 4) The Board Chair, or another assigned Board member, will provide interim leadership.

The interim leadership shall ensure that the organization continues to operate without disruption and that all organizational commitments previously made are adequately executed.

The Succession Guidelines are suggested procedures only. They may be altered or eliminated at any time and may not be followed in every instance.

Succession Guidelines:

In the case of an emergency, the Board Chair is notified, and they will make the initial decision concerning interim leadership from one of the four options above. This is to be ratified at the next board meeting or the Board can make an alternative choice.

When a vacancy in the position of CEO occurs, the Board Chair will appoint a search committee who may solicit assistance from Human Resources or an outside vendor (Recruiters, Accountants, or other industry professionals) to assist them. The committee will determine what resources will be used for finding the best candidates. The search committee will recommend finalists to the Board who will make the final decision on a replacement.

The committee will carefully review the qualifications of those applying for the position and recommend the most qualified to the Board. The following are some of the qualifications to be considered by the committee:

- (a) Experience
- (b) Management skills
- (c) Communication skills
- (d) People skills (employees and members)
- (e) Plan for leading the Credit Union into the future
- (f) Contract and salary
- (g) Education

It is the policy of the Glendale Area Schools CU to develop a diverse pool of candidates and consider at least three finalist candidates for its permanent CEO position. Glendale Area Schools CU shall implement a recruitment and selection process that follows all applicable laws and regulations. Internal candidates are encouraged to submit their qualifications for review and consideration by the search committee according to the guidelines established for the search and recruitment process. The Credit Union is firmly committed to promoting from within whenever possible.

The Board will maintain 100% confidentiality regarding applicants to the CEO role. Every effort will be made to not expose applicants' names to the public or staff. This confidentiality is not a matter of secrecy or lack of transparency; rather it is a matter of protecting candidates.

While implementing this policy, it is important to communicate with Board members, staff, stakeholders, and the community at large. For these purposes, the Board Chair, or his or her designee, will be considered the chief spokesperson for the Credit Union.

The Board is legally responsible for the Credit Union's leadership and should be regularly informed on all matters pertaining to the CEO succession process in a timely manner. Confidentiality should be required until the staff has been informed, and communications have been finalized.

Other Responsibilities:

The CEO is expected to cultivate management talent at the senior ranks of the Credit Union including one or more successors to his or her position through internal succession planning. The CEO is also expected to identify one or more members of senior management capable of filling the role of interim CEO if a temporary vacancy occurs and to provide appropriate development to that person or persons so that they are familiar with the range of issues related to the Board and the Credit Union as a whole.

Back-up Succession for Temporary Incapacitation (Three (3) Months or Less):

The current CEO will designate a key individual(s) to act on his or her behalf during the period of incapacitation. Depending upon the nature of the CEO's absence, the CEO may remain in contact with the designee(s) to offer necessary support and guidance to the extent practicable. The CEO's designee must be approved by the Board. If the CEO is unable to appoint a designee, such appointment will be done by the Board.

Back-up Succession for Long-Term Incapacitation (Between Three (3) Months and One (1) Year):

The Board will name an interim CEO who will assume the duties and responsibilities of the CEO. Appropriate key decisions made by the acting CEO during this assignment will be conveyed to the Board Chair and the Board in a convenient and timely manner. The interim CEO may be a current senior staff person who is being asked to take on additional responsibilities, a Board member acting as a Volunteer either part-time or full-time, or a paid consultant. Compensation will be commensurate with the conditions and responsibilities offered by the Board. Any decision-making limitations must be made explicitly by the Board.

Other Senior Management Vacancies:

The Board hires the CEO, and the CEO manages the Credit Union. The CEO will be responsible for the recruitment and hiring of all other employees of the Credit Union, including senior management positions.

Conclusion:

The Board is committed to continued strength, stability, growth, and evolution for ABC Credit Union. This CEO Succession Policy is an important component of future success. By documenting this policy, reviewing annually, changing it as appropriate and executing when needed, the Board is showing their strong commitment to excellence in leadership and forward progress in light of the reality that CU leaders (employees and volunteers) are temporary, and that leadership transition is the norm.