

CEO SUCCESSION PLANNING BOD Y03-12-03-03 [Policy]

The purpose of the policy on CEO Succession Planning is to provide for an orderly executive transition in the case of the departure or dismissal of the Chief Executive Officer of the American Physical Therapy Association. The policy may also be applicable in the case of an unexpected short-term or long-term absence of the CEO.

In the event of departure or dismissal of the CEO the following shall occur:

- The President of the American Physical Therapy Association (APTA) shall take responsibility for ensuring that all elements of the policy on CEO Succession Planning are executed.
- The CEO Succession Planning documentation file shall be shared with the Executive Committee. The Director of Human Resources will be responsible for keeping the documentation file up-to-date. The CEO Succession Planning documentation file shall include:
 - A copy of the most current job description for the CEO;
 - A copy of the current contract with the CEO (a copy of the contract shall be held by the Director of Human Resources as well as by APTA external legal counsel);
 - Names of all financial institutions with which APTA conducts business;
 - Contact information for accountants and auditors with whom APTA conducts business;
 - Contact information for external legal counsel;
 - Contact information for all members of the Senior Staff Team; and,
 - A key contacts list (list of staff by issue).
- The Senior Staff Team and the Director of Human Resources shall immediately organize and provide to the Executive Committee the following information:
 - A calendar of events and anticipated activities for the upcoming 12 to 18 months, including, for example, performance and salary reviews, staff hiring plans, and lease negotiations; and
 - A communication plan that includes who should be notified of an executive departure and when, including both internal and external stakeholders (e.g., staff, leadership, membership, legal and financial advisors, media, and affiliated organizations), as well as a template press release or letter in which the specifics of the departure can be quickly added.
- The Treasurer shall work with the Chief Financial Officer to ensure that all appropriate financial institutions are notified and that instructions are given regarding the changing of check-signing authority.
- The President, working with the Director of Human Resources and the Executive Committee, will develop an interim management proposal, including the pros and cons of using internal and external interim management, who makes the selection, and the process for selection. The Board of Directors should consider the essential functions of the executive that will need to be filled during the transition period.
- The President, working with the Director of Human Resources and the Executive Committee, shall develop an executive search process and a charter for the CEO Search Task Force. The plan should include the pros and cons of doing the search in house or engaging an executive search consultant.
- The Treasurer, working with the Chief Financial Officer and the Director of Human Resources, shall develop a financial plan. Expenses may include severance pay, outplacement, executive search consultants, and external interim executives.

(National Governance and Leadership Department, Ext 3252)

Explanation of Reference Numbers:

BOD P00-00-00-00 stands for Board of Directors/**month/year/page/vote** in the Board of Directors Minutes; the "P" indicates that it is a position (see below). For example, BOD P11-97-06-18 means that this position can be found in the November 1997 Board of Directors minutes on Page 6 and that it was Vote 18.