

*April 04*

## ***Alternatives Emergency Succession Plan***

### **Purpose**

The Board of Directors of the Alternative Federal Credit Union recognizes that strong leadership is critical to the continued success of the credit union. The primary objective of this emergency succession plan is to provide an overview of the procedures in the event of an unplanned vacancy of the CEO. The goal of this plan is to maintain stability of the credit union during such time.

### **Planning and Preparation**

A plan for succession should not be perceived as anticipated change but only as preparation for change, if and when it is necessary. The plan will rely primarily on existing staff as its principal source of qualified interim management in case of an emergency.

### **General Guidelines**

The Board is responsible for appointing an appropriate interim person in charge (interim CEO) whenever necessary.

The Board shall have the authority to engage and compensate external expertise to assist in a time of emergency.

The Board shall be responsible for all internal and external communications related to the emergency departure of the CEO, working closely together with mid-management.

### **During the First 24 hours**

The Board will rely on the mid-management staff to run the credit union until an interim CEO is appointed. The COO together with the Board will assume the lead of daily operations until the Board appoints the interim CEO.

The following will be contacted and informed of the vacancy whether temporary or permanent: (phone tree—get from COO and/or HR Director.) (see attachment?)

- Mid-management team
- Chairman, Board of Directors
- Remaining members on Board of Directors
- Chairman, Supervisory Committee

Others who will be contacted

- NCUA
- Attorneys
- Security Companies
- Broker
- CUMIS

A meeting of the Board of Directors will be convened within 24 hours after notification.

Board will create a written statement for the public.

A meeting of the staff will be held to explain the situation and the anticipated actions. Staff will be reminded that the Board is responsible for any communication related to the situation. The following will be addressed at that meeting:

- Facts of the situation, if appropriate
- What information staff will be allowed to relate the situation to members and vendors.
- Person named as interim CEO
- Projected process for replacement with anticipated time frames
- When and how additional information will be provided.

The Board will determine if grief counseling is needed.

Determine need to

- 1) Secure records
  - Cash, checks, money orders, traveler's checks
  - Employee files
  - Loan documents
- 2) Change combinations and locks if deemed necessary
  - Door locks
  - Security codes
  - Vault and safe combinations
  - Passwords to computer systems and programs (in locked file, Leni has key)
- 3) Secure personal property of departing CEO
- 4) Change authorization cards, as appropriate
  - Federal Reserve
- 5) Necessary board resolutions

### **During First Week**

Board will meet with management staff to

- Determine course of action
- Establish time frames

Chairman will consider morale, organizational climate and interim management styles. Interim CEO will provide support and leadership to Board.

Board chairman to create an emergency transition team from which a search committee can evolve, if not already in place.

The Board of Directors will determine the course of action and establish time frames

Determine appropriate compensation for interim CEO

### **During First Month**

Proceed with the process toward hiring of a new CEO if needed.

Maintain strong communications, as needed with both the staff and credit union members as to the progress of events.  
Consider necessity of more frequent board meetings.