

Succession Planning Checklist for REALTOR® Associations

Introduction: *There are two succession scenarios: A planned departure, such as the AE retiring or accepting another job; or an unplanned departure for whatever reason. Since experience shows it can be as much as six to nine months (or longer) before a replacement AE is on the job, it is incumbent upon the Board of Directors to act quickly and with certainty to continue the association's service to the members. For that reason, every Board of Directors needs to develop a Succession Plan and review it annually. In addition, developing and reviewing a Succession Plan is a healthy point of discussion for the Board to consider its values and resources.*

Section 1: Develop the Plan

- A. Board adopts a policy expressing the rationale for a Succession Plan, a commitment to make an orderly transition in the best interests of the membership.
- B. Board develops and approves a checklist of procedures. These procedures become official policy and should be readily available.
- C. The Board reviews and annually updates the position description for the Association Executive. (See "[Creating Job Descriptions](#)" on Realtor.org)
- D. The Association Executive develops a "turnover" book or file, a ready reference notebook or file of succession materials to be used in the event of unavailability caused by accident, illness, or other unexpected event. Executive reviews the contents with the board, periodically reviews and updates the book, and stores in a safe where it is readily accessible.

Section 2: Checklist for Hiring an Interim Executive

This plan will be used in the event of an unplanned vacancy or until a full-time replacement can be found and installed.¹

- A. Recently updated position description
- B. List of qualifications desired in an interim manager
- C. Identify who appoints the interim executive (President, Executive Committee, full Board of Directors?)
- D. Contact information on the candidate for interim AE (if known; in many cases it's a member of the existing staff)

¹ Note: Some retired AEs from other associations are available to act as interim AEs. NAR's Human Resources Department may be able to direct you to a potential candidate.

_____ E. Establish the time frame for selection and appointment of the interim AE. (24-48 hours? Within 30 days?)

_____ F. Establish a budget for obtaining an interim AE with allocations for possible costs involved with the hiring process, salary range, benefits, legal advice, outside assistance and subsidy for initial relocation expense if required.

Section 3: Plan for Hiring Full-Time Replacement

A pre-determined, well thought out replacement plan is essential to moving the process ahead with confidence and efficiency and will minimize confusion and conflict.

_____ A. Identify who will conduct the search and make a recommendation to the Board of Directors. This might be the Board of Directors or Executive Committee, but it could also be a special committee. If a Search Committee,

____ Who will be members (specify leadership position or membership group to be represented)?

____ Who will recommend or appoint/approve any at-large members beyond those identified by position?

____ What is the minimum/maximum number to be appointed?

____ What is the operating budget for this committee?

____ Identify a time line by which the committee is expected to make its recommendation.²

_____ B. Identify a budget for conducting the search.

____ Will you use a professional search firm? What will be the approximate cost, including consultant fees and travel?³

____ Will you pay expenses for candidate interviews either at NAR meetings or on site, or both?

____ Overhead expense (staff support, communications, candidate travel arrangements and on and off-site meeting logistics, legal counsel assistance in the event of contracts, etc.)

_____ C. Establish a projected total allowable dollar value you will be willing to pay for salary/benefits/perks for a new executive. While you will want to refine and update this when the actual vacancy occurs, the projection will be useful in determining how to conduct the search.

² Set a deadline. Sometimes a successful interim AE can lessen the immediacy to identify a permanent replacement. But in all fairness, the issue of permanency should be resolved as quickly as possible.

³ Suggestion: Contact NAR's Human Resources Division for assistance (312/329-8311). The HR Department offers assistance in job searching, salaries, advertising for the position. Services are free or at low cost

___ Identify the process that will be employed for determining the salary/benefit package, e.g. local salary surveys, ASAE, NAR, outside HR consultant.

___ D. Establish the process.

___ Who conducts the search?

___ Who authorizes expenses for the search?

___ Who gives final approval to the candidate?

___ Who is authorized to complete salary/benefits negotiations with the selected candidate?

___ What is the role of staff for operational support (making travel arrangements, minutes, correspondence with candidates, preparation of information packets on the association for the final candidates? What staff position will be the candidates' point of contact?

___ What is the role of staff in giving input for candidate requirements?

Section 4: Develop a Turnover Book

Keep the following items in one easily accessible place:

___ A. Governing documents for the association and any subsidiaries (MLS, foundation ,etc)

___ B. NAR Bylaws and MLS rules most current review letter

___ C. IRS Letter of determination (if appropriate)

___ D. Employer Identification Number

___ E. Most recent audit or financial review

___ F. Past and current 990s or tax returns

___ G. Sales tax numbers or exemption certificates

___ H. A listing of financial institutions; instructions for changing check-signing authority

___ I. Notification list (who should be notified in the event of a departure of the CEO -- banks, state association, NAR, association attorney, CPA, media)

___ J. Business or strategic plan (adopted annually)

___ K. Fill-in-the-blanks press release announcing the management change and list of media contacts

- _____ L. List of locations of important files; blank checks; bank records & statements; program files, lockboxes and membership records
- _____ M. List of key holders for the association office
- _____ N. Record of passwords for secured sites (online banking, etc.)
- _____ O. Staff organizational chart; include the current chart and what one might look like should the AE leave; include web master contact information
- _____ P. Twelve month association events calendar
 - _____ Dues collection and remittance dates
 - _____ Core Standards compliance deadline
 - _____ Convention and meeting dates for local, state, national
 - _____ Personnel reviews and salary adjustments
 - _____ Lease and maintenance agreement renewals
 - _____ Budget preparation and approval dates
 - _____ Annual meeting date