



Chief Executive Officer

BOD Y12-23-02-02 [Amended: Y03-21-02-04, BOD Y03-12-04-05; Initial BOD Y09-09-04-04]
[Policy]

I. Position Description

The Chief Executive Officer (CEO) is responsible for the management of the association's headquarters, and the approval of all staff positions, descriptions, and qualifications, not inclusive of the position description and qualifications for the CEO. The CEO has full authority to hire and dismiss staff.

The Board of Directors is responsible for approving the position description and qualifications for the CEO, hiring and terminating the CEO, conducting the CEO's annual evaluation, and setting compensation.

The CEO is authorized to execute or to authorize their designee to execute, on behalf of the association, certain binding agreements and other acts.

II. Performance and Compensation

The Board conducts an annual performance review of the CEO.

The Director of Human Resources facilitates the annual performance appraisal of the CEO in collaboration with the Board President and Vice President.

The results of the appraisal year's performance assessment along with the CEO's contract with APTA, are used to determine appropriate annual increases to the CEO's compensation including bonuses and other incentives.

The following matrix documents roles:

<u>What</u>	<u>Responsible</u>	<u>Accountable</u>
Annual CEO Performance Evaluation Survey	Board of Directors	Vice President
Annual CEO Organizational Assessment Review	Executive Committee	Vice President
CEO Annual Bonus	Executive Committee	Board President
CEO Contract	Board President	Board President

III. Termination

The CEO may be terminated for Cause or no Cause by resolution duly adopted by the affirmative vote of not less than a majority of the members of the Board.

Should the CEO be terminated for Cause, APTA will treat the CEO fairly and equitably and if applicable may follow the policies and procedures of APTA's Employee Policy Manual, respectful of the CEO role and in accordance with the CEO's employment contract. The CEO to be provided reasonable written notice of the

Cause(s) for termination and a fair opportunity to respond in person and/or through counsel at a meeting of the Board of Directors.

IV. Business Continuity and Succession Planning

CEO succession planning provides for an orderly executive transition in the case of the departure or dismissal of the CEO. 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 occurs:

- A. The APTA President takes responsibility for ensuring that all elements of the policy on CEO succession planning are executed.
- B. The CEO succession planning documentation file is shared with the Executive Committee. The Director of Human Resources is responsible for keeping the documentation file current. The CEO succession planning documentation file includes:
 - 1. A copy of the most current job description for the CEO.
 - 2. 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)
 - 3. Names of all financial institutions with which APTA conducts business.
 - 4. Contact information for accountants and auditors with whom APTA conducts business.
 - 5. Contact information for external legal counsel; and,
 - 6. Contact information for all members of the staff senior team.
- C. The staff senior team and the Director of Human Resources shall immediately organize and provide to the Executive Committee the following information:
 - 1. 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
 - 2. 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.
- D. The Treasurer works 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.
- E. The President, working with the Director of Human Resources, Chief Operating Officer, CFO, and the Executive Committee, will develop an interim management plan, to include:
 - 1. Pros and cons of using internal and external interim management,
 - 2. Who selects the interim CEO, and
 - 3. The process for selection.
- F. The Treasurer, working with the CFO and the Director of Human Resources, shall develop a financial plan. Expenses may include severance pay, outplacement, executive search consultants, and external interim executives.

- G. The Board of Directors provides input on the essential functions of the interim CEO that will need to be filled during the transition period.
1. The interim CEO:
 - a. Has the full authority for the daily decision-making and independent action as exercised by the regular CEO.
 - b. Makes decisions in consultation with the President and/or Executive Committee including hiring and terminating staff, financial issues, initiating new projects, media communications, and supports and conveys policy positions on behalf APTA.
 - c. Reports to the President.
 2. The Executive Committee supports the needs of the interim CEO in this temporary role.
 3. The President and Executive Committee are responsible for reviewing the performance of the interim CEO. The Director of Human Resources supports the facilitation of this effort.
 4. The President and Executive Committee will conduct an initial review of the interim CEO after 30 days and every 90 days thereafter.
- H. The President, working with the Director of Human Resources and the Executive Committee, develops an executive search process and a charter for the CEO search task force.

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 P06-22-05-04 means that this position can be found in the June 2022 Board of Directors meeting minutes on Page 5 and that it was Vote 4.

E: Binding Ethical Document | P: Position | Y: Policy

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Contact: governancehouse@apta.org