

# How to Choose A Financial Planner

## Tough Questions To Ask

What is your educational background?

- College degree  
Area of study: \_\_\_\_\_
- Graduate degree  
Area of study: \_\_\_\_\_

What are your financial planning credentials/designations and affiliations?

- NAPFA-Registered Financial Advisor  
(60 hours continuing education every 2 years)
- Certified Financial Planner (CFP)  
(30 hours continuing education every 2 years)
- Chartered Financial Consultant (ChFC)  
(30 hours continuing education every 2 years)
- Certified Public Accountant/Personal Financial Specialist (CPA/PFS)  
(60 points every 3 years)
- Financial Planning Association (FPA)  
(continuing education not required)
- Other: \_\_\_\_\_  
\_\_\_\_\_

How long have you been offering financial planning services?

- Less than 2 years
- 2-5 years
- 5-10 years
- More than 10 years

Do you have clients who might be willing to speak with me about your services?

- Yes
- No  
If no, explain  
\_\_\_\_\_

Will you provide me with references from other professionals?

- Yes
- No  
If no, explain  
\_\_\_\_\_

Have you ever been cited by a professional or regulatory governing body for disciplinary reasons?

- Yes
- No

If yes, explain

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Describe your financial planning work experience or attach your resume.

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#### BUSINESS PRACTICE

How many clients do you work with?

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Are you currently engaged in any other business, either as a sole proprietor, partner, officer, employee, trustee, agent or otherwise? (Exclude non-investment related activities which are exclusively charitable, civic, religious or fraternal and are recognized as tax-exempt.)

- Yes
- No

If yes, explain:

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Will you or an associate of yours work with me?

- I will
- An associate will
- We have a team approach

If an associate will be my primary contact, complete questions 1-7 in the Background & Experience section for each associate as well.

Will you sign the Fiduciary Oath below?

- Yes
- No

**FIDUCIARY OATH**

The advisor shall exercise his/her best efforts to act in good faith and in the best interests of the client. The advisor shall provide written disclosure to the client prior to the engagement of the advisor, and thereafter throughout the term of the engagement, of any conflicts of interest which will or reasonably may compromise the impartiality or independence of the advisor.

The advisor, or any party in which the advisor has a financial interest, does not receive any compensation or other remuneration that is contingent on any client's purchase or sale of a financial product. The advisor does not receive a fee or other compensation from another party based on the referral of a client or the client's business.

Do you have a business continuity plan?

- Yes
- No

If no,

explain: \_\_\_\_\_

**COMPENSATION**

Financial planning costs include what a client pays in fees and commissions. Comparison between advisors requires full information about potential total costs. It is important to have this information before entering into any agreement.

How is your firm compensated and how is your compensation calculated?

- Fee-Only (as calculated below)  
Hourly rate of \$\_\_\_\_\_/hour  
Flat fee of \$ \_\_\_\_\_  
Percentage \_\_\_\_\_% to \_\_\_\_\_% of \_\_\_\_\_
- Commissions only; from securities, insurance, and/or other products that clients buy from a firm with which you are associated.
- Fee and Commissions (fee based)
- Fee Offset, (charging a flat fee against which commissions are offset.) If the commissions exceed the fee, is the balance credited to me?
- Yes
- No

Do you have an agreement describing your compensation and services that will be provided in advance of the engagement?

- Yes
- No

Do you have a minimum fee?

- Yes
- No

If so, explain:

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If you earn commissions, approximately what percentage of your firm's commission income comes from?

\_\_\_\_\_ % Insurance products  
\_\_\_\_\_ % Annuities  
\_\_\_\_\_ % Mutual funds  
\_\_\_\_\_ % Limited partnerships  
\_\_\_\_\_ % Stocks and bonds  
\_\_\_\_\_ % Coins, tangibles, collectibles  
\_\_\_\_\_ % Other: \_\_\_\_\_  
\_\_\_\_\_ % Other: \_\_\_\_\_

100 %

Does any member of your firm act as a general partner, participate in, or receive compensation from investments you may recommend to me?

- Yes
- No

Do you receive referral fees from attorneys, accountants, insurance professionals, mortgage brokers, or others?

- Yes
- No

Do you receive on-going income from any of the mutual funds that you recommend in the form of "12(b)1" fees, "trailing" commissions, or other continuing payouts?

- Yes
- No

Are there financial incentives for you to recommend certain financial products?

- Yes
- No

If so, explain: \_\_\_\_\_

## SERVICES

Financial planners provide a range of services. It is important to match client needs with services provided.

Do you offer advice on: (check all that apply)

- Goal setting
- Cash management & budgeting
- Tax planning
- Investment review & planning
- Estate planning
- Insurance needs in the area of life, disability, long-term care, health and property/casualty
- Education funding
- Retirement planning
- Other: \_\_\_\_\_

Do you provide a comprehensive written analysis of my financial situation and recommendations?

- Yes
- No

Does your financial planning service include recommendations for specific investments or investment products?

- Yes
- No

Do you offer assistance with implementation with the plan?

- Yes
- No

Do you offer continuous, on-going advice regarding my financial affairs, including advice on non-investment related financial issues?

- Yes
- No

Do you take custody of, or have access to my assets?

- Yes
- No

If you were to provide me on-going investment advisory services, do you require "discretionary" trading authority over my investment accounts?

- Yes
- No

**REGULATORY COMPLIANCE**

Federal and state laws require that, under most circumstances, individuals or firms holding themselves out to the public as providing investment advisory services are required to be registered with either the U. S. Securities & Exchange Commission (SEC) or the regulatory agency of the state in which the individual/firm conducts business.

I (or my firm) is registered as an Investment Advisor

- With the SEC
- With the state of \_\_\_\_\_

Please provide your Form ADV Part II or brochure being used in compliance with the Investment Advisors Act of 1940.

If not registered with either the SEC or any state, please indicate the allowable reason for non-registration.

\_\_\_\_\_

Signature of Planner: \_\_\_\_\_

Firm Name : \_\_\_\_\_

Date: \_\_\_\_\_

*Please Note:*

A yes or no answer requiring explanation is not necessarily a cause for concern. We encourage you to give the advisor an opportunity to explain any response.

*This form was created by the National Association of Personal Financial Advisors (NAPFA) to assist consumers in selecting a personal financial planner. It can be used as a checklist during an interview or sent to prospective planners as a part of a preliminary screening. NAPFA recommends that individuals from at least two different firms be interviewed*