

FINANCIAL PLANNER INTERVIEW

How to Choose a Financial Planner

Tough Questions to Ask

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.

BACKGROUND & EXPERIENCE

The backgrounds of financial planners can vary as much as the services offered. The planner's education and experience should demonstrate a solid foundation in financial planning and a commitment to keeping current. In addition to the following questions, ask the planner to describe his or her specific financial planning work experience.

1. What is your educational background?

College degree: **B.S., Management (Summa Cum Laude)**

Area of study: **Marketing, Finance**

Graduate degree: **M.B.A. (With Distinction)**

Area of study: **Finance**

Financial planning education and designations:

Certified Financial Planner (CFP)

Chartered Financial Consultant (ChFC)

CPA/PFS

Other: **Certified College Planning Specialist, Chartered Mutual Fund Counselor**

2. How long have you been offering financial planning services?

Less than 2 years

2-5 years

More than 5 years

3. What continuing education in financial planning do you pursue?

1-14 hours of professional education each year

15-30 hours of professional education each year

At least 30 hours of professional education each year

4. Are you a member of any professional financial planning associations?

Financial Planning Association (FPA)

National Association of Personal Financial Advisors (NAPFA)

The Garrett Planning Network (GPN)

Estate Planning Council of Rochester (EPC)

5. Will you provide me with references from clients? ___ Yes __ **X** ___ No (see note)

*** Strict adherence to federal privacy regulations prevents us from sharing client information, including names, of any kind. We will respond to your legitimate concerns by other means.**

6. Have you ever been cited by a professional or regulatory governing body for disciplinary reasons? ___ Yes __ **X** ___ No

7. Will you, or an associate, work for me? **I will personally handle your concerns.**

8. If an associate will work with me or assist you, please complete questions 1-6 for the associate as well.

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.

1. Are you or your firm registered as an Investment Advisor with the SEC?
___ Yes __ **X** ___ No (Assets under management are less than \$25 million.)

2. Are you or your firm registered as an Investment Advisor with the state of
___ **N.Y.** ___ ? __ **X** ___ Yes ___ No

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

PLEASE PROVIDE A COPY OF YOUR REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION (FORM ADV Part II) AND/OR YOUR STATE, AS REQUIRED BY THE SEC UNDER THE INVESTMENT ADVISORS ACT OF 1940 AND SUBSEQUENT CHANGES.

Signature of Planner

Firm Name

Date

SERVICES

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

1. Does your financial planning service include:

A review of my goals.

Advice on:

Cash management & budgeting

Tax planning

Investment review & planning

Estate planning

Insurance needs in the area of life, disability, health and property/casualty

Retirement planning

Other: Charitable gifting

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

Yes _____ **No**

Is the analysis tailored to my personal needs and goals? **Yes** _____ **No**

3. Does your financial planning service include recommendations for specific investments or investment products? **Yes** _____ **No**

Do you offer assistance with implementation? **Yes** _____ **No**

4. Do you offer continuous, on-going advice regarding my financial affairs, including advice on non-investment financial issues? **Yes** _____ **No**

5. Do you take possession of, or have access to my assets? _____ **Yes** **No**

COMPENSATION

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

1. How is your firm compensated?

Fee-Only

Commission Only

Fee and Commissions

Fee offset

How is your compensation calculated?

Fee only (as calculated below)

Based on hourly rate of : **\$220.00**

Flat fee _____

Percentage (0.50% to 1.10%)

of **Assets Under Management** Are fees capped? **Yes** **No**

Commission only (from securities insurance, etc.) that clients buy from a firm with which you are associated.

Fee and commission ("Fee based")

Fee offset. You charge a flat fee against which commissions are offset. If the commissions exceed the fee, is the balance credited to me? Yes No

2. 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, and collectibles

% Other _____

100 %

3. 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**

[Note: the Securities and Exchange Commission (SEC) requires that this information be disclosed.]