



## CHOOSING A CFP® PROFESSIONAL – Questions to Ask

A qualified CFP® professional can help you address a multitude of issues and concerns so you are able to achieve your financial goals. He or she is someone who can:

- Help you set realistic financial and personal goals;
- Assess your current financial health by examining your assets, liabilities, income, insurance, taxes, investments and estate plan;
- Assist you in developing a realistic, comprehensive plan by addressing financial weaknesses and building on financial strengths;
- Put your plan into action and monitor its progress; and
- Help you stay on track to meet changing goals, personal circumstances, stages of your life, products, markets and tax laws.

But when it comes to selecting a CFP® professional it's important to make sure he or she is someone who is a good match for you, so it's imperative that you ask a lot of questions.

The following questions are recommended by the Financial Planning Association® (FPA®). Each will help you better understand a financial planner's background, knowledge, experience, and competency. When you're ready, be sure to visit [PlannerSearch.org](http://PlannerSearch.org) to begin your search for your financial planner.

### DESIGNATIONS AND LICENSES

**1. What licenses do you hold?**

- a. Insurance
- b. Securities
- c. CPA
- d. J.D.
- e. Other

**2. Are you personally licensed or registered as an investment adviser with the:**

- a. State(s)?
- b. Federal Government?



# ONE CONNECTION™

**3. If yes, how are you going to tell me when you are acting as a sales agent of the brokerage firm and when you are acting as an investment adviser? If no, why not?**

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**4. Is your firm licensed or registered as an investment adviser with the:**

- a. State(s)?
- b. Federal Government?

**5. Will you provide me with your disclosure document Form ADV Part II or a state equivalent?**

- a. Yes
- b. No (If no, why not?)

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**6. Will you provide me with a written disclosure detailing any disciplinary history for you or your firm?**

- a. Yes
- b. No (If no, why not?)

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## EDUCATION

**7. What are your educational qualifications?**

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**8. What financial planning designation(s) or certification(s) do you hold?**

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**9. What financial planning continuing education requirements do you fulfill?**

- a. \_\_\_\_\_ hours every \_\_\_\_\_ year



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## EXPERIENCE

**10. Do you have experience in providing advice on the following topics?**

**If yes, indicate the number of years.**

- a. Retirement Planning \_\_\_\_\_
- b. Investment Planning \_\_\_\_\_
- c. Tax Planning \_\_\_\_\_
- d. Estate Planning \_\_\_\_\_
- e. Insurance Planning \_\_\_\_\_
- f. Comprehensive Planning \_\_\_\_\_
- g. Education Planning \_\_\_\_\_
- h. Business Planning \_\_\_\_\_
- i. Other \_\_\_\_\_

**11. What are your areas of specialization?**

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**12. What qualifies you in this field?**

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**13. How long have you been offering financial planning advice to clients?**

- a. Less than one year
- b. One to four years
- c. Five to 10 years
- d. More than 10 years

**14. How many clients do you currently have?**

- a. Less than 10 clients
- b. 10 to 39 clients
- c. 40 to 79 clients
- d. 80+ clients



15. Briefly describe your work history:

Three horizontal lines for text entry.

FEES AND COMPENSATION

16. How does the client compensate you?

Financial planners can be paid in a variety of ways, and each has its merits. Choosing the appropriate method depends on your individual situation. FPA advocates for the highest standards for competent and ethical planners, regardless of compensation or business model. However, before entering into a relationship with a planner, you should have a clear understanding of how he or she will be compensated.

- a. Fee-Only: A certificant may describe his or her practice as "fee-only" if, and only if, all of the certificant's compensation from all of his or her client work comes exclusively from the clients in the form of fixed, flat, hourly, percentage or performance-based fees.
b. Commission-Only: Denotes the compensation generated from a transaction involving a product or service and received by an agent or broker, usually calculated as a percentage on the amount of his or her sales or purchase transactions. This includes 12(b)1 fees, trailing commissions, surrender charges and contingent deferred sales charges.
c. Fee and Commission: If a CFP® professional and any related party receives or is entitled to receive both commissions and fees for providing professional activities, the CFP® professional must disclose his or her compensation as "Commission and Fee."

17. What do you typically charge?

- a. Fee:
Hourly rate \$ \_\_\_\_\_
Flat fee (range) \$ \_\_\_\_\_ to \$ \_\_\_\_\_
Percentage of assets under management: \_\_\_\_ percent

- b. Commission: What is the approximate percentage of the investment or premium you receive on:
Stocks and Bonds: \_\_\_\_\_
Mutual Funds: \_\_\_\_\_
Annuities: \_\_\_\_\_
Insurance Products: \_\_\_\_\_
Other: \_\_\_\_\_



**18. Do you have a business affiliation with any company whose products or services you are recommending?**

a. Yes (please explain)

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b. No (please explain)

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**19. Is any of your compensation based on selling products?**

a. Yes (please explain)

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b. No (please explain)

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**20. Do professionals and sales agents to whom you may refer me send business, fees or any other benefits to you?**

a. Yes (please explain)

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b. No (please explain)

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**21. Is the account that you are offering an “advisory account,” or is it a “brokerage account” exempt from investment adviser registration?**

- a. Advisory Account
- b. Brokerage Account

**22. If it's a brokerage account, are you required under law to act as a fiduciary by always placing my interests first?**

- a. Yes
- b. No

**23. Regarding any brokerage account that I may open, what are the potential conflicts of interest that you have when recommending certain products for sale to me, and how will you disclose these to me prior to purchase, including any special cash payments or incentives that you receive?**

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**24. Are you an owner of, or connected with, any other company whose services or products I will use?**

- a. Yes (If yes, explain)

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- b. No

**25. Do you provide a written client engagement agreement?**

- a. Yes
- b. No (If no, why not?)

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## **GENERAL**

**26. How might you address my particular needs?**

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**27. How often will my plan be updated?**

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# ONE CONNECTION™

**28. Are you affiliated with any professional associations?**

a. Yes (which ones?)

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b. No

## SERVICES AND WORK PHILOSOPHY

**29. What services do you offer?**

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**30. Describe your approach to financial planning.**

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**31. Who will work with me?**

- a. Planner
- b. Associate(s)

**32. Will the same individual(s) review my financial situation?**

- a. Yes
- b. No (If no, who will?)

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**33. What type of clients do you serve?**

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**34. Do you have a minimum net worth or income requirement?**

a. Yes (what is it?)

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b. No

**35. What kind of services can I expect?**

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