

Choosing a financial planner may be one of the most important decisions you make for yourself and your loved ones. Financial planners can provide you and your family with guidance over your lifetime, or work with you to address specific concerns as needed. Regardless of how you choose to work together, a planner can play a central role in helping you meet your life goals and achieve financial well-being. Consequently, take the time to select a financial planner who is competent and trustworthy, one on whom you can depend for professional advice and services.

Marks of Quality

CFP™, CERTIFIED FINANCIAL PLANNER™ and  CFP® are certification marks owned by the Certified Financial Planner Board of Standards (CFP Board) which help you identify financial planners who are committed to competent and ethical behavior when providing financial planning services. CFP practitioners have taken the extra step to demonstrate their professionalism by voluntarily submitting to the rigorous CFP certification process. In addition to significant education and experience requirements, they must pass a comprehensive exam that tests their personal financial planning knowledge and skills, continually update their abilities and abide by the CFP Board's *Code of Ethics and Professional Responsibility (Code of Ethics)* and *Financial Planning Practice Standards (Practice Standards)*.

When you work with a CFP practitioner, you are the focus of the financial planning relationship and your needs drive the financial planner's recommendations. As a client, you can choose from a wide variety of planners and planning services.

CFP practitioners can work in several settings including small financial planning practices, large financial services firms, credit unions, banks and

other financial institutions. Planners are compensated for the services they provide in different ways, as well. Some are paid through commissions, and others through fees or a combination of both. While all CFP practitioners are trained to provide you with comprehensive financial planning services, some specialize in one or more areas, or work with specific types of clients. Interview several candidates and choose the one with whom you feel most comfortable and who best meets your needs.

Tested For Competency

When selecting a financial planner, you need to feel confident that the person you choose to help you plan for your future is competent and ethical. To earn the right to use the CFP certification marks, individuals must complete the following competency requirements.

Education: Develop theoretical and practical financial planning knowledge by completing a comprehensive course of study at a college or university offering a financial planning curriculum, including over 110 educational programs registered with the CFP Board.

Examination: Pass a comprehensive two-day, 10-hour CFP™ Certification Examination that tests their ability to apply financial planning knowledge in an integrated format. Based on regularly updated research of what planners do, the CFP Board's exam covers the financial planning process, tax planning, employee benefits and retirement planning, estate planning, investment management and insurance.

Experience: Have a minimum of three years' experience in the financial planning process prior to earning the right to use the CFP certification marks. As a result, CFP practitioners possess financial counseling skills in addition to financial planning knowledge.

Committed to Ethical Conduct

Ethics: As a final step to certification, CFP practitioners agree to abide by a strict code of professional conduct, known as the CFP Board's *Code of Ethics and Professional Responsibility* that sets forth their ethical responsibilities to the public, to clients and to employers.

Through the *Code of Ethics*, CFP practitioners agree to act fairly and diligently when providing you with financial planning advice and services, always putting your interests first. The *Code of Ethics* states that CFP practitioners are to act with integrity, offering you professional services that are objective and based on your needs. They are required to provide you with information about their sources of compensation and conflicts of interest in writing, and must keep personal details obtained while working with you confidential.

Renew Certification Every Two Years

Once certified, CFP practitioners are required to maintain technical competence and fulfill ethical obligations. Every two years, they must complete a minimum of 30 hours of continuing education, staying current with developments in the financial planning profession to better serve clients. Two of these hours are spent studying or discussing the CFP Board's *Code of Ethics* or *Practice Standards* (see right).

In addition to the biennial continuing education requirement, all CFP practitioners voluntarily disclose any public, civil, criminal or disciplinary actions that may have been taken against them during the past two years as part of the renewal process.

Financial Planning Practice Standards

You may be confused about how to distinguish financial planning from other kinds of financial advice. To help you understand what to expect from the financial planning process, CFP practitioners follow certain standards – called *Financial Planning Practice Standards* – when providing financial planning advice. *Practice Standards* describe the process you should reasonably expect a financial planner to use during a financial planning engagement. These standards are based on a six-step financial planning process, documented through CFP Board research. (See below for the six-step process.)

The Financial Planning Process

- Establishing and defining the client-planner relationship
- Gathering client data including goals
- Analyzing and evaluating the client's financial status
- Developing and presenting financial planning recommendations and/or alternatives
- Implementing the financial planning recommendations
- Monitoring the financial planning recommendations

When providing financial planning advice, a CFP practitioner will define the scope of the work she or he will do with you, and clearly explain and document the services she or he will provide, the method of compensation and other relevant information. CFP practitioners will work with you to determine your personal and financial goals, needs and priorities; understand your time frame for achieving results; and discuss your tolerance for financial risk. *Practice Standards* also require a CFP practitioner to gather all necessary financial

information about you when developing your personal financial plan.

A Matter of Trust

As more people call themselves “financial planners,” finding the right professional to address your financial planning needs isn’t always easy. Take your time when choosing a financial planner. Before making a decision, become familiar with the planner’s business style and understand the level of services he or she provides. Look for a measure of the planner’s commitment to ethical behavior and adherence to high professional standards. Most importantly, look for a financial planner who will put you and your needs at the center of every financial planning engagement.

Check Your Planner’s CFP Certification Status

To verify that your planner is authorized by the CFP Board to use the CFP certification marks, call toll-free 1-888-CFP-MARK (888-237-6275) or visit the CFP Board’s Web site at www.CFP-Board.org.

About the CFP Board

The CFP Board is a nonprofit professional regulatory organization founded in 1985 to benefit the public by fostering professional standards in personal financial planning. An independent certifying organization, the CFP Board owns the marks CFP™, CERTIFIED FINANCIAL PLANNER™ and  CFP®.

**CFP™ - Financial
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Standard**

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WHY you should

→ **choose a**

CERTIFIED FINANCIAL PLANNER™
practitioner

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