

HOW TO CHOOSE A WEALTH MANAGER

Before hiring a financial planning professional, perform this simple questionnaire. If the advisor's answers do not follow prudent core values that parallel yours, you may not be engaging the right advisor for you.

Questions:

1. How long have you been offering financial planning services?
 Less than 3 years 3-5 years 5-10 years More than 10 years
2. What is your educational background?
College Degree: Yes No Area of Study: _____
Graduate Degree: Yes No Area of Study: _____
3. Where did you work, and in what positions, after college?
4. Are you an independent or do your work under a firm?
5. Do you have proprietary products and investments within the firm you work for? Name the mutual fund families used for your clients.
6. How do I know those proprietary products are better for me or the firm?
7. What are your financial planning credentials/designations and affiliations? (check all that apply)
Certified Financial Planner (CFP)
Chartered Financial Consultant (ChFC)
Certified Public Accountant
Financial Planning Association (FPA)
Other: _____
8. Have you ever been cited by a professional or regulatory governing body for disciplinary reasons?
 Yes No (If yes, please explain) _____
9. How many clients do you work with? _____
10. Will you provide client references (3-5)?
11. 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, please explain) _____
12. Will you or an associate work with me?
I will An associate will Act as a Team
(If an associate will be my primary contact, complete questions 1-8 for each associate as well.)
13. Do you have a business continuity plan?
 Yes No
(If no, please explain) _____
14. How often do you meet with clients?

15. How often do you review the financial plan with the client?

Financial advisory costs 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.

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

- Fee-Only (as calculated below):
Hourly rate of \$_____/hour
Flat fee (Range and Explanation) _____
Percentage _____% to _____% of _____
(AUM, Net worth, etc.)
- 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

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

- Yes No

18. Do you have a minimum fee?

- Yes No
(If yes, please explain) _____

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

_____ % Insurance products	_____ % Stocks and bonds
_____ % Annuities	_____ % Coins, tangibles, collectibles
_____ % Mutual Funds	_____ % Limited Partnerships
_____ % Other: _____	

20. 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

21. Do you receive referral fees from attorneys, accountants, insurance agents, mortgage brokers, or others?

- Yes No

22. 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

23. Financial planners provide a range of services. It is important to match your needs with services provided. Do you offer advice on? (check all that apply)

Goal setting	<input type="checkbox"/>	Estate planning	<input type="checkbox"/>
Budgeting	<input type="checkbox"/>	Insurance needs	<input type="checkbox"/>
Tax planning	<input type="checkbox"/>	Education funding	<input type="checkbox"/>
Investment review & planning	<input type="checkbox"/>	Retirement planning	<input type="checkbox"/>
Other:_____			

24. Do you provide a comprehensive written analysis of my financial situation and recommendations?
 Yes No

25. Do you offer assistance with implementation with the plan?
 Yes No

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

27. Other than receiving my permission to debit my investment account for your fee, do you take custody of, or will you have access to, my assets?
 Yes No

28. If you were to provide me on-going investment advisory services, do you require "discretionary" trading authority over my investment accounts?
 Yes No

28. Does the custodian of my account carry SIPC Insurance?

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.

29. I am (or my firm) is registered as an Investment Advisor?
 Yes (In the State of _____) No

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 specific reason (regulatory exemption or other reason) for non-registration.

30. Are you registered with FINRA (Financial Industry Regulatory Authority)?

Signature of Advisor:_____

Firm Name:_____

Date:_____

Sources: Brian Tillotson, Virtus Wealth Management
The National Association of Personal Financial Advisors