

# Getting Started in Financial Planning

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“But financial planners  
send me referrals!”

-Jim, Tax Accountant, Age 47

Financial Planning  
Framework

Opportunities

Getting  
Started

Downsides

Q & A

- ▶ History of tax advisors & wealth managers
- ▶ Tax becomes harder to do well
- ▶ Wealth management solves for tax

# Timeline - Investments Regulation

Tax Pros vs  
Financial Planners

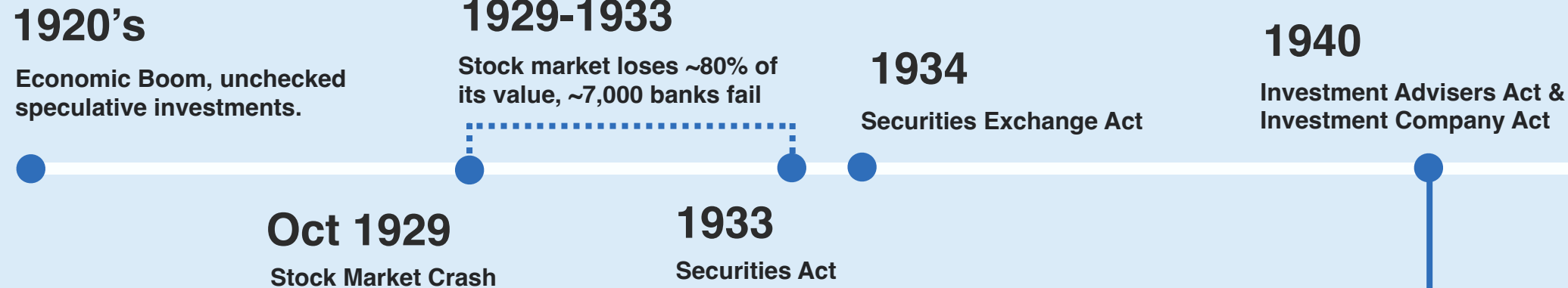
## Financial Planning Framework

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The terms "broker", "dealer", "securities", and "investment adviser" are now defined & highly regulated.

Investment advisers are subject to either state-level or SEC rules & authority. Broker-dealer representatives are subject to FINRA rules & authority.

As "securities" is broadly defined, the 1940 Act includes an "Accountant's Exclusion" precluding accountants from needing to register if they meet related tests including investment-related advice being "solely incidental" to accounting work.

# Timeline - Financial Planning

(Includes Investments)

**1969**

Financial service industry leaders discuss creation of new profession.

**Oct 1973**

Advising within the various components of financial planning starts to come together under one professional umbrella, 35 graduates from the College of Financial Planning becomes the first CFP® certificants.

**1970's-1990's**

Financial planning as a profession slowly grows, investment-related fees start to move away from commissions and toward assets under management (AUM).

**1990's**

More push for financial planners to act as fiduciaries, to address non-financial concerns - essentially create relationships with clients that are deep & emotionally intelligent.

**1990's - 2000's**

The internet allows financial industry knowledge to become widely available to the public, DIY investment & financial planning platforms emerge.

There is no generally-accepted definition of "financial planning" or "financial planner".

However, your applicable authoritative body may define it for you, e.g., AICPA, CFP Board.

Tax Pros vs  
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- ▶ Increased revenue per client
- ▶ Deeper relationships with clients
- ▶ Tax is a critical - sometimes overlooked - component of financial planning

Refer & collaborate without compensation	Refer with compensation	Financial planning less investments	IAR of RIA or RR of BD	Your own RIA with external support	Your own RIA with internal support
<p>You do not provide financial planning services apart from tax advice.</p> <p>You provide referrals to and/or collaborate with financial planners.</p> <p>You are not paid additionally for this.</p>	<p>You do not provide financial planning services apart from tax advice.</p> <p>You refer to financial planners and receive referral fees for doing so.</p> <p>Registration as an Investment Adviser (IA) or Investment Adviser Representative (IAR) under the "promoter" or "solicitor" rules may or may not be required.</p>	<p>You provide and charge for financial planning services covering all aspects of financial planning except investments.</p> <p>You collaborate with your clients' investment advisers.</p> <p>Registration as an Investment Adviser (IA) may or may not be required.</p>	<p>Your financial planning offering includes investment advice/management. You do not establish your own entity for this, but instead:</p> <p>A) Register with the state or SEC and become an Investment Adviser Representative (IAR) of a 3rd party Registered Investment Adviser (RIA).</p> <p>Or</p> <p>B) Register with FINRA as a Registered Representative (RR) of a 3rd party Broker-Dealer (BD).</p>	<p>Your financial planning offering includes investment advice/management. You do not establish your own entity for this, but instead:</p> <p>A) Register with the state or SEC and become an Investment Adviser Representative (IAR) of a 3rd party Registered Investment Adviser (RIA).</p> <p>Or</p> <p>B) Register with FINRA as a Registered Representative (RR) of a 3rd party Broker-Dealer (BD).</p>	<p>Your financial planning offering includes investment advice/management.</p> <p>You establish your own Registered Investment Adviser (RIA).</p> <p>Your RIA works with external providers for certain core functions such as creating financial plans, investment management, etc.</p>

Tax Pros vs Financial Planners

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- ▶ Obtaining needed technical expertise
- ▶ Business model challenges
- ▶ Complicated regulatory environment



Ask us questions! A few ideas:

- ▶ What can I do without being registered/licensed?
- ▶ If I do get registered/licensed, which one(s) should I get?
- ▶ How do I charge?
- ▶ Do I need another legal entity?
- ▶ How can I obtain needed expertise?
- ▶ What will happen with my financial planner relationships & referrals?
- ▶ Will my tax firm E&O provider cover financial planning?