



## USING THE LETTER OF ENGAGEMENT IN PRO BONO FINANCIAL PLANNING

A letter of engagement, or client agreement, is a standard part of any financial planner's practice. A letter of engagement is no less of an important tool in a pro bono relationship. In order to participate in many FPA-sponsored pro bono programs, letters of engagement are required and must be signed by a financial planner and the client.

As part of the letter of engagement, FPA members are requested to use a "mini plan" process when working with pro bono clients. The mini plan is the basic financial planning process with the important exception of implementation and monitoring. It consists of three basic steps – 1) gathering data and setting goals, 2) data review and clarification, 3) plan presentation and discussion. The mini-plan process, unlike most paid planning arrangements where the client has a more complex financial situation, is nonetheless designed to follow a client-centered process. It allows pro bono work to be provided within a clear framework and expectations regarding the services to be provided.

In addition to furnishing the client with a signed copy of this document:

- The second copy should also be forwarded to the appropriate chapter contact, often the pro bono director or designated volunteer within the chapter.
- The third copy should be provided to the sponsoring organization.

The pro bono planner may also ask the pro bono client to execute the planner's own agreement. Questions regarding the engagement should be sent to the chapter's pro bono director, or to the FPA Pro Bono Services Department at [FPAprobono@OneFPA.org](mailto:FPAprobono@OneFPA.org).



## LETTER OF ENGAGEMENT FOR PRO BONO FINANCIAL PLANNING SERVICES

- 1) We, the undersigned financial planner (hereafter “planner”) and pro bono recipient (“pro bono client”), acknowledge that we are entering into a limited pro bono financial planning engagement for which the planner will receive no compensation, directly or indirectly, for services provided.
- 2) The scope of this engagement is to provide to the pro bono client general financial planning advice and consultation that may include, but are not necessarily limited to, the following:
  - a. Written financial planning advice from a financial planner, such as a financial planning professional member of FPA and/or Certified Financial Planner Certificant (CFP®).
  - b. Organization of family finances.
  - c. Banking issues, payment of bills, and budget and cash flow management.
  - d. Medical, disability, life, property, and casualty insurance, including information about benefits, settlements and claims administration.
  - e. Review of savings and investments.
  - f. Tax issues.
  - g. Review of estate planning.
  - h. Access to available financial benefits to which the pro bono client and his or her family may be eligible.
  - i. Consulting with other allied professionals such as accountants, attorneys and insurance professionals.
- 3) The duration of this pro bono engagement is not intended to be a long-term or ongoing relationship. A basic pro bono engagement generally consists of three steps – 1) gathering data and setting goals, 2) data review and clarification, 3) plan presentation and discussion, including a financial statement, assessment of risk, and any tax implications. These steps may be covered in one meeting or multiple meetings. This engagement does not provide for implementation of the advice by the planner. The client is responsible for making all decisions and may pursue other options to implement the financial plan.
- 4) The planner will receive no compensation for this engagement, and will comply with all regulatory, professional and ethical obligations, including but not limited to those imposed by the Securities and Exchange Commission (SEC), state securities and insurance regulator. Further, the planner is prohibited from charging for additional services not anticipated but provided during the period of engagement. The planner affirms that all professional licenses and certifications held by the planner are in good standing, and that the planner has not at any time been censured, convicted or otherwise found by competent authority to be guilty of any fraudulent activity or professional misconduct.
- 5) Neither the planner nor anyone in the planner’s office is allowed to engage in a financial planning business relationship with the pro bono client, other than the pro bono engagement. If the pro bono client wishes to pursue services from the pro bono planner, the pro bono client should be referred to [www.plannersearch.org](http://www.plannersearch.org). This policy is necessary to avoid even the appearance of a conflict of interest.
- 6) The financial planner participating in this letter of engagement is a member of the Financial Planning Association. The undersigned planner is bound by CFP Board’s Code of Ethics and Standards of Conduct. Neither FPA, its officers, members, nor staff assume responsibility or liability for the accuracy or appropriateness of the advice given by said planner. By accepting assistance, the pro bono client acknowledges and agrees that FPA and its affiliated chapter do not purport to provide, or hold out as providing, any financial advice to the participant and FPA, nor any of its directors, officers, employees, agents or members, has any professional or business relationship with, or has or assumes any responsibility or liability for the accuracy or appropriateness of any advice or assistance provided by the planner. The pro bono client acknowledges that he or she must make an independent judgment regarding a particular planner’s qualifications and suitability for the pro bono client’s needs and circumstances.
- 7) All personal financial advice and assistance provided by the undersigned financial planner is provided solely by the individual financial planner and not by or on behalf of FPA or its affiliated chapter. The financial planner is solely responsible for his or her professional advice and services. Both the planner and pro bono client agree to hold FPA as well as its directors, officers, employees, agents or members, and affiliated chapter (other than the financial planner), harmless from any loss, damage, cost or liability in any way arising from such advice, acts or omissions.
- 8) The pro bono client further agrees to hold the individual financial planner, their business, or affiliated organizations, harmless from any loss, damage, cost or liability in any way arising from such advice, acts or omissions.

- 9) The pro bono client understands that the responsibility for financial planning decisions are his/her own and that he/she is under no obligation to follow, either wholly or in part, any recommendation or suggestion provided by the pro bono planner. The pro bono client also understands that completion of the planning process may be a prerequisite to being granted services, items or acceptance into programs by the sponsoring organization.
- 10) Should any concern arise regarding this advisory relationship, it is agreed that the parties will consult with each other to resolve such issues. Any unresolved issue shall then be submitted to non-binding mediation under the Commercial Mediation Rules of the American Arbitration Association. Any dispute still unresolved may then be submitted to binding arbitration under the Securities Industry Arbitration Rules of the American Arbitration Association.
- 11) The terms of this agreement are limited to those items described below and this agreement will terminate upon the completion of the services described below or the allotted time, or the engagement may be terminated by either party upon written notice.

Plan of Work & Completion of Engagement

- The planner will work with pro bono client to establish goals and present a financial plan.
- It is the pro bono client's responsibility to report any financial plan details and subsequent goals or progress to the sponsoring organization, if necessary.
- The planner will do NO reporting of financial details to ANY sponsoring organization or FPA related partner, as client financial situations are confidential. The planner will share suggestions and the plan with the pro bono client only or to any others only with specific permission from the pro bono client.
- It is the pro bono client's responsibility to return calls or email contacts from the pro bono planner. The planner should notify the sponsoring organization if the pro bono client has not maintained contact and, if necessary, may terminate the engagement.
- Establish end date of the Pro Bono Engagement:
  - Once presented with the financial plan, client has elected to implement some or all of the recommendations on his/her own.
  - Client has elected to set up future pro bono sessions on the approximate dates below and the pro bono relationship will be terminated at the end of these sessions:

\_\_\_\_\_

The engagement will be concluded upon the completion noted above and acceptance of the pro bono financial planning process as evidenced by the signatures below

\_\_\_\_\_/\_\_\_\_\_  
(Pro Bono Planner signature) (Date)

\_\_\_\_\_/\_\_\_\_\_  
(Pro Bono Client signature) (Date)

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Print name, designation, email, phone & address)

\_\_\_\_\_  
(Print name, email & phone & address)

Note: Per FPA pro bono guidelines, the planner will be responsible for the engagement but may delegate tasks to others, including allied professionals, para-planners, CFP candidates, etc.

List: Sponsoring organization and Point of Contact Information: \_\_\_\_\_

\_\_\_\_\_

NOTE: Copies to pro bono client, planner, sponsoring organization, and FPA Chapter.

*The Financial Planning Association® (FPA®) is the membership organization for the financial planning community. Its members are dedicated to supporting the financial planning process in order to help people achieve their goals and dreams. The Financial Planning Association is the owner of trademark, service mark and collective membership mark rights in: FPA, FPA/Logo and FINANCIAL PLANNING ASSOCIATION. The marks may not be used without written permission from the Financial Planning Association.*

