



The Motley Fool Financial Advisor Center - Advisor Questionnaire

What questions to ask and what answers you want to hear.

F is for the fees you want to charge me.

A is for the state securities form.

C is for credentials you've acquired.

E stands for the gray hairs in your ears.

OK, we Fools may be better at financial education than we are at penning song lyrics. But whatever way you can commit it to memory, the acronym FACE -- which represents four categories of questions you should pose during your advisor background check -- will help guide you.

And now, for a bit more detail:

- F** **Fees:** How much will the expert charge? How is he or she paid? Know this in advance so that there are no surprises.
- A** **ADV Form** (or the state securities agency equivalent): Every advisor must file this document with the Securities and Exchange Commission (SEC). The form discloses the advisor's education and business background, compensation, and investment methodology.
- C** **Credentials:** Sadly, in most states any yahoo can call him or herself a "financial planner." It's your job to look for the seal of quality in the form of official designations.
- E** **Experience:** How long has the financial professional been doing business, and has she done similar work in the past?

Many financial planners will give you an hour of their time free, up front, to explore your needs and explain how they operation. (Heck, we're so proud of our professional financial planning service -- [TMF Money Advisor](#) -- that we'll give you an [entire month of free service](#) to try it out!) A big chunk of this initial meeting will devoted to establishing -- in the planner's mind -- a rough overview of your financial health.

You also want to leave plenty of time to evaluate a candidate and get a solid understanding of how the relationship will work -- how often you'll meet, what the planner will and will not do, how well the planner answers tough questions, how the planner is paid, etc.

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Before you bring on a new member to your financial management team, you want to make sure they are up to snuff. If you choose to meet face-to-face with a pro, following are some important questions to pose, and considerations to keep in mind as you get the answers. These come from The Motley Fool Personal Finance Workbook. If you want to see if [TMF Money Advisor](#) would make a good addition to your management team, [come test drive it for free](#) (!) for one month. Heck, you can simply call [888-665-3665](#) and interview one of our customer service Fools to see if the service would make a good fit.

Q: How big is your practice?

Determine whether you'll be a little frog in a big pond, and just how important your business would be to this person.

Q: Who exactly will be doing my work -- you or somebody else? If I have problems or questions, can I speak with you personally or will I be shunted off to another person?

Make sure that you're comfortable with the answers here. Ideally, you should be able to speak with the person who will actually be doing your work.

Q: How long have you been practicing in this area?

Ask how long the financial professional has been doing business in your area. The longer, the better. We like five years. Why? It tells us she must be doing something right because no one has run her out of town on a rail yet.

Q: What professional credentials do you have?

Look for the diplomas on the wall and the initials after the name. ([We run down a list of the most common here](#)). You want to see something like Certified Financial Planner (CFP), Chartered Financial Consultant (ChFC), or Certified Public Accountant (CPA) with a specialty designation as a Personal Financial Specialist (PFS). These designations don't ensure that the person does good work, but they do say the person has had training and experience.

Q: Have you done similar work in the past to what I'm asking for?

If yes, ask for a sample of that work and get the names of three clients you can call for references. Obviously, the pro is going to give you the names of folks who think highly of him or her. Call anyway and ask just one question: What don't you like about the services you receive(d)?

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**Q: How do you operate? What will you expect me to provide you, and what will you provide in return?
How often are we likely to interact?**

With this question you are trying to get an idea of what your relationship will be like. Will you just mail in all needed papers once a year and get a prepared assessment back a few weeks later? Will the pro want to meet with you face-to-face for any reason (perhaps a planning or strategy session)? Will you receive tips or updates from the pro throughout the year?

**Q: Speaking of fees, how do you get them? Can I get an estimate of what my fees will be?
What are your billing policies?**

*You'll be prepared for this one since you will have already [read our article explaining how advisors get paid](#). We also suggest that you ask the planner's office to send you a copy of their **Form ADV**. Any person who provides financial planning services and manages investment assets of \$25 million or more has to file Form ADV with the Securities and Exchange Commission. (Those who manage less than \$25 million in assets must disclose similar information with their own state's security agency.) Check out the information about commissions and then verify it with Schedule F.*

*Along the same lines, any professional who sells securities will have a **Central Registration Depository (CRD) file**. It gives you a 10-year history of the provider, including any disciplinary actions taken against that person. You may obtain CRD information through your state securities agency.*

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