



## **USING THE LETTER OF ENGAGEMENT IN PRO BONO FINANCIAL PLANNING Supporting Military Veterans**

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, a second copy should also be forwarded to the appropriate chapter contact, often the pro bono director or designated volunteer within the chapter. A third copy should be provided to the sponsoring non-profit organization. A fourth copy should be forwarded to the FPA National Pro Bono Services Department at [fpaprobono@fpanet.org](mailto:fpaprobono@fpanet.org). 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@fpanet.org](mailto:fpaprobono@fpanet.org).

FPA National will contact local FPA chapters and assign planners nearest the location of the desired home for the veteran beneficiary. The Letter of Engagement spells out the requirements for this program and the support the planner will provide to the veteran beneficiary.



## 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 financial planner. (Please refer to the FPA® Pro Bono Program Guidelines.)
  - 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. (Please refer to Appendix A for the specific pro bono services to be provided by the financial planner.)
- 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 your financial plan. The engagement will be concluded upon the completion and acceptance of the pro bono financial planning process as evidenced by the signatures on Appendix A.
- 4) The engagement may be terminated by either party upon written notice.
- 5) 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.
- 6) The financial planner will not pursue an ongoing financial planning business relationship unless initiated solely by the client. If the client requests such a relationship, and the financial planner agrees to provide services for compensation, the two parties shall enter into a new and separate agreement for financial services, with the pro bono engagement terminated prior to execution of the business agreement.
- 7) The financial planner participating in this letter of engagement is a member of the Financial Planning Association. The undersigned planner is bound by the Financial Planning Association’s Code of Ethics. Neither FPA nor its officers, members or 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 affiliated chapter does 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.

- 8) 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.
- 9) The terms of this agreement are limited to those items described in Appendix A, and this agreement will terminate upon the completion of the services described in Appendix A or the time allotted in Appendix A, or written notice of either planner or client.
- 10) 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 is a prerequisite to being granted a home by the sponsoring non-profit organization.
- 11) 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.

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

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

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\_\_\_\_\_  
 (Print name, firm, address and telephone number)

\_\_\_\_\_  
 (Print name, address and telephone number)

Return once scanned via email to:

- FPA National: FPA Pro Bono <fpaprobono@fpanet.org>
- And the sponsoring non-profit organization

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**Appendix A :**  
**TO THE LETTER OF ENGAGEMENT FOR PRO BONO FINANCIAL PLANNING SERVICES**

**Pro Bono Advisory Services Provided (check all that apply):**

- \_\_\_\_\_ Written financial planning advice from a CERTIFIED FINANCIAL PLANNER™ certificant or Financial Planning Professional Member of the Financial Planning Association.
- \_\_\_\_\_ Organization of family finances
- \_\_\_\_\_ Banking issues
- \_\_\_\_\_ Bill payment, budget and cash flow management
- \_\_\_\_\_ Medical, disability, life, property, and casualty insurance, including information about benefits, settlements and claims administration
- \_\_\_\_\_ Review of savings and investments
- \_\_\_\_\_ Tax issues
- \_\_\_\_\_ Review of estate plan
- \_\_\_\_\_ Review of financial benefits to which the *pro bono* client and his or her family may be eligible
- \_\_\_\_\_ Consulting with other allied professionals such as accountants, attorneys and insurance professionals
- \_\_\_\_\_ Other (specify) \_\_\_\_\_

Items marked with an "X" are mandatory for the client to be favorably granted a home by the sponsoring non-profit organization. The other services are highly recommended to assure the client is prepared to negotiate the next phase of his/her life. In addition to the checking of boxes, please explain some specifics of what was covered during your pro bono engagement, what was accomplished and what follow up items there may be:

**Time Allocated to Pro Bono Engagement:** \_\_\_\_\_ hours.

**Next Step (check all that apply):**

A follow-up date will be determined by both parties at the end of this initial engagement. At the follow-up meeting, the Planner will work with Veteran on any items that have become problems. At this time the Planner and Veteran will determine if the engagement is terminated or if continued assistance is needed by the Veteran.

- Client has elected to implement some or all of the recommendations on his/her own.*
- Client has been referred to PlannerSearch on the Financial Planning Association's website at [www.FPAnet.org](http://www.FPAnet.org).
- Client has received referrals to allied professionals (accountants, attorneys, insurance professionals).
- Client has inquired about a paid relationship with the pro bono planner on a compensation basis and under a separate agreement. Client has received the brochure *How a Financial Planner Can Help You...and How to Choose the Right One* available on FPA's website and has been referred to Planner Search. The current pro bono engagement will terminate prior to execution of any other agreement with the planner.
- Other \_\_\_\_\_

**Notes:** \_\_\_\_\_

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The affixed signatures are evidence that the financial plan has been accepted and the pro bono engagement concluded.

Signed: \_\_\_\_\_  
(Pro Bono financial planner)

Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
(Pro Bono client)

Date: \_\_\_\_\_

At conclusion of the *pro bono* engagement, copies are to be provided to: 1) *pro bono* client  
2) *Pro bono* planner's FPA chapter leadership or *pro bono* leadership;  
3) Sponsoring non-profit organization 4) FPA National [fpaprobono@fpamet.org](mailto:fpaprobono@fpamet.org)

