
Date

Letter of Engagement: _____ **and** _____
(Agent Name & Designations) *(Client Name)*

Dear

This engagement letter is designed to offer you a better understanding of the financial planning process and the comprehensive financial plan I will generate on your behalf. This letter will also clarify the obligations I have to you should you agree to accept me as your financial planner, and your obligations as my clients to help me design a plan that will achieve your financial goals.

Financial Planning Process

The financial planning process consists of four steps:

- i. Defining the terms of our relationship
- ii. Discussing your financial goals and obtaining your financial data
- iii. Evaluating your situation based on the information provided
- iv. Developing financial planning strategies and presenting them to you in a comprehensive written financial plan

In my dealings with you, I will follow this four-step financial planning process.

Scope of Engagement

This engagement will include all services required to develop a comprehensive financial plan. These services include, but are not limited to:

- Investment Planning
- Tax Planning
- Estate Planning
- Retirement Planning
- Insurance Planning
- Cash Flow Planning

Confidentiality

Please be assured that all information that you provide to me will be kept strictly confidential. I am bound by professional rules that prohibit me from disclosing any of your confidential information without your written consent (unless required to do so by law). This said, during the financial planning engagement it may, on occasion, be necessary to consult with other third-party professionals. At such times, I will first obtain your written permission to disclose your personal information to this third-party.

Assumptions

In making my recommendations, I will need to make assumptions related to the expected rates of return on your investments, tax rates, inflation rates, lifestyle needs, and other areas of financial planning. I will make sure the assumptions used are reasonable and realistic based on current and historical norms and I will clarify the basis for such assumptions in your written financial plan.

Recommendations

I will review your financial situation and prepare a comprehensive financial plan which will include recommendations. I will then discuss and explain the financial plan with you. If the plan involves more than one alternative, I will clearly discuss the advantages and disadvantages of each alternative, the cost of each alternative, and the risk involved. I will also clearly communicate the time sensitivity of recommendations, the consequences of taking no action, and the implications of a change in assumptions on the expected results.

Any recommendations I make are based upon my professional judgement and I cannot guarantee the future results of these recommendations.

Conflicts of Interest

I am required to declare any interest that may prevent me from offering objective and impartial advice to you.

Currently, I am unaware of any potential conflicts of interest. However, if any conflicts develop in the future, I will fulfill my obligation to bring them to your attention in writing immediately.

Your Obligations

It is important to recognize that entering into this engagement amounts to entering into a relationship in which both parties (me as the financial planner and you as the clients) have responsibilities to ensure the relationship succeeds.

In order to ensure that the comprehensive financial plan I will develop for you contains sound and appropriate financial planning recommendations, it is your responsibility as my client to provide complete and accurate information regarding all aspects of your personal and financial situation including objectives, needs and values, investment statements, tax returns, copies of wills, powers of attorney, insurance policies, employment benefits, retirement benefits and relevant legal agreements.

This list is not all inclusive and any other relevant information should be disclosed in a timely manner upon request. It is your responsibility to ensure that any material changes to the above noted circumstances (i.e. financial or lifestyle) are disclosed to me on a timely basis as they could impact the financial planning recommendations made for you.

Compensation

My financial planning practice is strictly fee-based. I specialize in investments and taxation and have professional designations that permit me to deal with these topics in detail with clients.

This engagement is a consultation service and therefore presents no obligation for you the client to purchase specifically named investments or insurance products. This *fee for service* engagement beginning on _____ (date) will be provided at a cost of _____ (\$) per hour plus applicable taxes.

I estimate it will take _____ (hours) hours to develop a comprehensive financial plan based on your situation and I will have the plan completed no later than _____ (date).

Payment terms include \$500 payable upon acceptance of this engagement with the balance due upon presentation of the comprehensive plan. Please be advised that I do not receive a fee from the other professional(s) to whom you may be referred.

Upon completion of this *fee for service* engagement, my obligation to you will terminate and I will not be under any obligation to update or to monitor your investment and insurance portfolios discussed during this engagement. Further advisory services may be discussed at this time.

Termination of this Engagement

If you wish to terminate this engagement at any time, you can do so by notifying me in writing. Any fees incurred to that date will be accrued any payable in full.

I can end the engagement in writing upon providing you with a minimum 30 days' notice.

Follow-up to our Initial Meeting

In our initial meeting on _____ you identified the following issues as primary concerns that you would like addressed immediately:

- i. _____
- ii. _____
- iii. _____

I look forward to working with you, to establish a long and mutually beneficial relationship and, most importantly, helping you reach your financial goals.

Regards,

Agent

Confirmation of Terms:

I have read, understood, and hereby accept the terms outlined in this engagement letter.

Client Signature

Date

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Client Signature

Date