



CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.

2015 Financial Planning Job Task Domains

The following Financial Planning Job Task Domains are based on the results of CFP Board's 2015 Job Analysis Study. The Job Tasks are used to provide guidance for developing content for the CFP® Certification Examination and other case-based scenarios.

Eight Major Domains

1. Establishing and Defining the Client-Planner Relationship
2. Gathering Information Necessary to Fulfill the Engagement
3. Analyzing and Evaluating the Client's Current Financial Status
4. Developing the Recommendation(s)
5. Communicating the Recommendation(s)
6. Implementing the Recommendation(s)
7. Monitoring the Recommendation(s)
8. Practicing within Professional and Regulatory Standards

1. Establishing and Defining the Client-Planner Relationship

- A) Identify the client (e.g., individual, family, business, organization)
- B) Discuss the financial planning process
- C) Explain scope of services offered
- D) Assess and communicate ability to meet the client's needs and expectations
- E) Identify and disclose conflicts of interest in client relationships
- F) Discuss responsibilities of parties involved
- G) Define and document the scope of the engagement
- H) Provide client disclosures
 - 1) Regulatory disclosure
 - 2) Compensation arrangements and associated potential conflicts of interest

2. Gathering Information Necessary to Fulfill the Engagement

- A) Explore with the client their personal and financial needs, priorities and goals
- B) Assess the client's level of knowledge, experience and risk tolerance
- C) Evaluate the client's risk exposures (e.g., longevity, economic, liability, healthcare)
- D) Gather relevant data including:
 - 1) Summary of assets (e.g., cost basis information, beneficiary designations and titling)
 - 2) Summary of liabilities (e.g., balances, terms, interest rates)
 - 3) Summary of income and expenses
 - 4) Estate planning documents
 - 5) Education plan and resources
 - 6) Retirement plan information
 - 7) Employee benefits

- 8) Government benefits (e.g., Social Security, Medicare)
- 9) Special circumstances (e.g., legal documents and agreements, family situations)
- 10) Tax documents
- 11) Investment statements
- 12) Insurance policies and documents (e.g., life, health, disability, liability)
- 13) Closely held business documents (e.g., shareholder agreements)
- 14) Inheritances, windfalls, and other large lump sums

3. Analyzing and Evaluating the Client's Current Financial Status

- A) Evaluate and document the strengths and vulnerabilities of the client's current financial situation including:
 - 1) Statement of financial position/balance sheet
 - 2) Cash flow statement
 - 3) Capital needs analysis (e.g., insurance, retirement, major purchases)
 - 4) Asset protection (e.g., titling, trusts, etc.)
 - 5) Asset allocation
 - 6) Client liquidity (e.g., emergency fund)
 - 7) Government benefits (e.g., Social Security, Medicare)
 - 8) Employee benefits
 - 9) Investment strategies
 - 10) Current, deferred and future tax liabilities
 - 11) Estate tax liabilities
 - 12) Tax considerations
 - 13) Income types
 - 14) Retirement plans and strategies (e.g., qualified plans, IRAs)
 - 15) Accumulation planning
 - 16) Distribution planning
 - 17) Estate documents
 - 18) Ownership of assets
 - 19) Beneficiary designations
 - 20) Gifting strategies
 - 21) Executive compensation (e.g., deferred compensation, stock options, RSUs)
 - 22) Succession planning and exit strategy
 - 23) Risk management (e.g., retained risk and insurance coverage)
 - 24) Educational financial aid
 - 25) General sources of financing
 - 26) Special circumstances (e.g., divorce, disabilities, family dynamics, etc.)
 - 27) Inheritances, windfalls, and other large lump sums
 - 28) Charitable planning
 - 29) Aging and eldercare
 - 30) Mental capability and capacity issues
- B) Identify and use appropriate tools and techniques to conduct analyses including:
 - 1) Financial calculator
 - 2) Computer spreadsheet
 - 3) Financial planning software

4. Developing the Recommendation(s)

- A) Evaluate alternatives to meet the client's goals and objectives
 - 1) Sensitivity analysis (e.g., factors outside of client control)
- B) Consult with other professionals as appropriate
- C) Develop recommendations considering:
 - 1) Client attitudes, values and beliefs
 - 2) Behavioral finance issues (e.g., anchoring, overconfidence, recency)
 - 3) Their interdependence
- D) Document recommendations

5. Communicating the Recommendation(s)

- A) Present financial plan and provide guidance
 - 1) Goals
 - 2) Assumptions
 - 3) Observations and findings
 - 4) Alternatives
 - 5) Recommendations
- B) Obtain feedback from the client and revise the recommendations as appropriate
- C) Provide documentation of plan recommendations and any additional disclosures
- D) Verify client acceptance of recommendations

6. Implementing the Recommendation(s)

- A) Create a prioritized implementation plan with timeline
- B) Directly or indirectly implement the recommendations
- C) Coordinate and share information, as authorized, with others
- D) Define monitoring responsibilities with the client (e.g., explain what will be monitored, frequency of monitoring, communication method(s))

7. Monitoring the Recommendation(s)

- A) Discuss and evaluate changes in the client's personal circumstances (e.g., aging issues, change in employment)
- B) Review the performance and progress of the plan
- C) Review and evaluate changes in the legal, tax and economic environments
- D) Make recommendations to accommodate changed circumstances
- E) Review scope of work and redefine engagement as appropriate
- F) Provide ongoing client support (e.g., guidance, education)

8. Practicing within Professional and Regulatory Standards

- A) Adhere to CFP Board's *Standards of Professional Conduct*
- B) Manage practice risk (e.g., documentation, monitor client noncompliance with recommendations)
- C) Maintain awareness of and comply with regulatory and legal guidelines

CONTEXTUAL VARIABLES

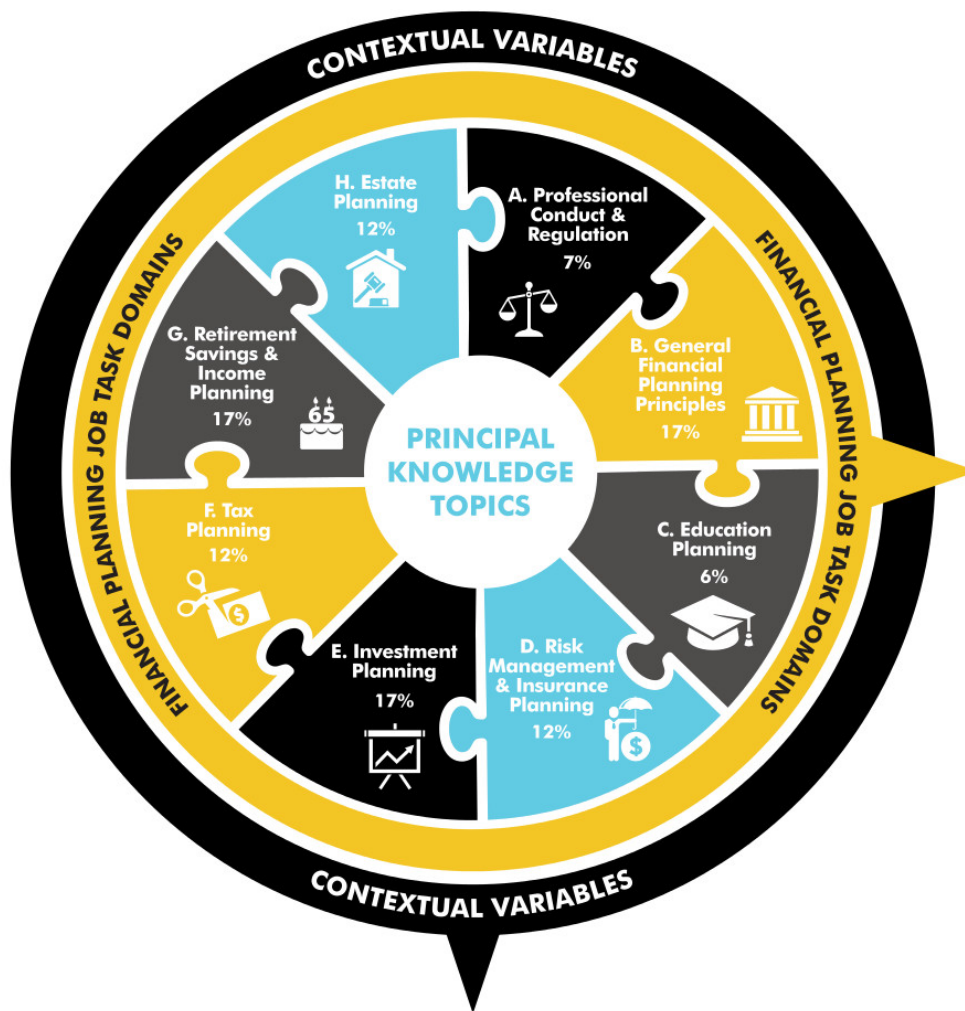
In addition to the Principal Knowledge Topics, other important variables are to be considered when dealing with specific financial planning situations. These are referred to as “Contextual Variables” and are used as part of content development for the CFP® Certification Examination or other case-based scenarios.

More specifically, financial planning situations require the application of financial planning knowledge for different types of clients. Important client details to consider as part of financial planning situations are:

- **Family Status** (traditional family, single parent, same-sex couples, blended families, widowhood)
- **Net Worth** (ultra-high net worth, high net worth, mass affluent, emerging affluent, mass market)
- **Income Level** (high, medium, low)
- **Life or Professional Stage** (student, starting a career, career transition, pre-retirement, retirement)
- **Other Circumstances** (health issues, divorce, change of employment status, aging parents, special needs children)

CFP BOARD

2015 JOB TASK ANALYSIS EXAMINATION AND EDUCATION REQUIREMENTS



FINANCIAL PLANNING JOB TASK DOMAINS

- 1 Establishing & Defining the Client-Planner Relationship
- 2 Gathering Information Necessary to Fulfill the Engagement
- 3 Analyzing & Evaluating the Client's Current Financial Status
- 4 Developing the Recommendation(s)
- 5 Communicating the Recommendation(s)
- 6 Implementing the Recommendation(s)
- 7 Monitoring the Recommendation(s)
- 8 Practicing Within Professional & Regulatory Standards

CONTEXTUAL VARIABLES

<p>FAMILY STATUS Traditional family Single parent Same-sex couples Blended families Widowhood</p> 	<p>NET WORTH Ultra-high net worth High net worth Mass affluent Emerging affluent Mass market</p> 	<p>INCOME LEVEL High Medium Low</p> 	<p>LIFE OR PROFESSIONAL STAGE Student Starting a career Career transition Pre-retirement Retirement</p> 	<p>OTHER CIRCUMSTANCES Health issues Divorce Change of employment status Aging parents Special needs children</p> 
--	---	--	--	--