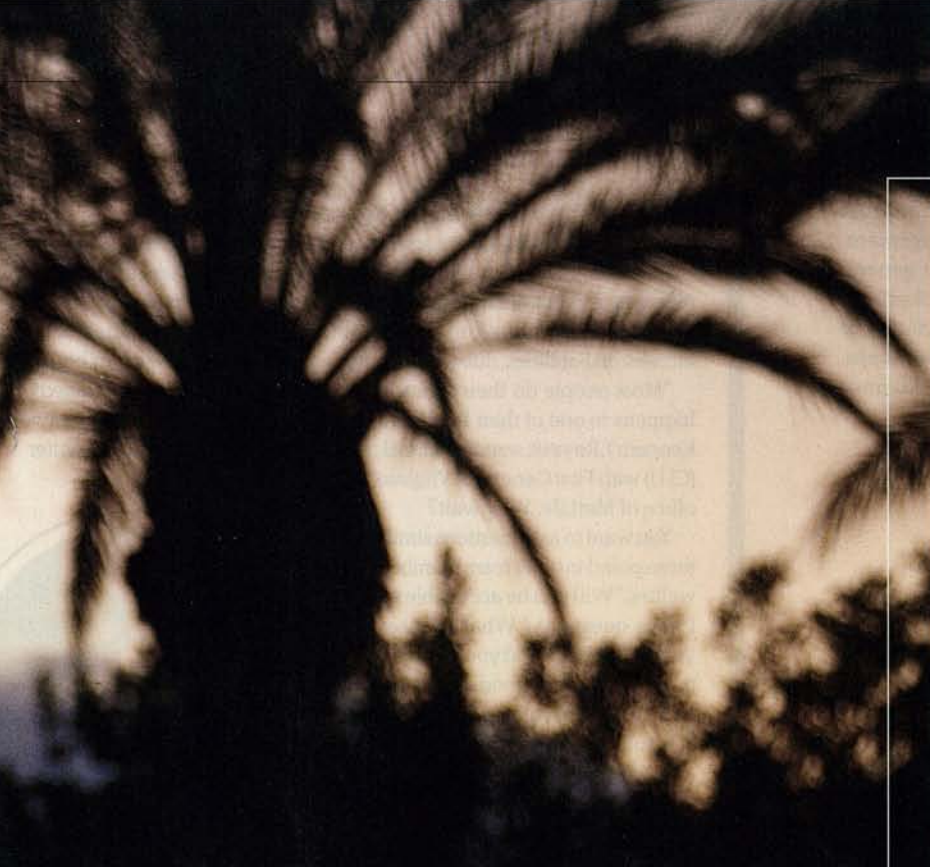




The Team  
You Need  
for Your  
**YEAR-END**  
Financial  
Checkup

Here's how to assemble  
a group of professionals  
to give you expert advice

*By Karen Thomas*



**IN JANUARY, YOU PROBABLY VOWED TO PUT your finances on the top of your get-it-together-now list. But somehow 2011 is nearly history and it's still on the list. You can still make good on that promise by doing a year-end review.**

For the last few years Chantay Bridges has practiced the annual ritual of year-end planning. This time though, "The economy made this a necessity."

In August, she sat not only with her pastor for spiritual advice, but with a financial planner. What topped the agenda? "Retirement. I have been concerned with the stock market and pensions being on a financial roller coaster. You have to make preparations ahead of time instead of hoping everything will fall together later on," says Bridges, 35, a senior real estate specialist in Los Angeles.

Her meeting was fruitful. "I got a reminder of why it's important to have your money working for you, a lesson on mutual funds, a report on the current gold and silver prices, and how to set up a financial plan that fits within our current and future lifestyle goals," says Bridges, who is married and has a grown stepson. In addition to retirement planning, she reviewed her credit report, insurance policies, as well as her will.

At a time when it's about the parties and festivities, it can be hard to focus on all things financial. But year-end financial planning should be just as much a tradition as mistletoe. To make the task seem less daunting, don't even think about going it alone. Pull together a team of professionals to help you: a financial planner, tax adviser, insurance agent, and estate-planning attorney. Getting expert advice is less costly than you might think, and whatever you spend you'll recoup in savings. Remember the three C's: credentials, character, and chemistry. Here's what you need to build a dream team that can help you ring in financial success next year and beyond.



**Why You Need a Financial Planner**

A financial planner can provide a comprehensive look at the past year and plot a path for the next one, not only for investments, but debt, taxes, life changes, and more. Look for someone with credentials, specifically the certified financial planner (CFP) designation, awarded by the Certified Financial Planner Board of Standards Inc. to those who meet education, examination, experience, and ethics requirements.

Once you have a few candidates, ask questions. "Who is the planner's typical client?" asks certified financial planner and chartered financial consultant Ivory Johnson, director of financial planning at Scarborough Capital Management Inc. in Annapolis, Maryland. "There's nothing wrong with asking how they get paid, particularly in writing. Are they the subjects of any litigation or customer complaints? Read the finance section and form questions that professionals should be able to answer," says Johnson.

Don't simply choose someone based primarily on proximity. "Many people believe that proximity makes for a more comfortable relationship, only to discover that their process of picking an adviser was marginalized." Another no-no: choosing whoever is cheapest, with little regard for competency. "You may pay the price in the currency of bad advice," says Johnson.

Advisers are paid three ways: per hour, as a percent of assets under management, or commission. As a general ►

rule, says Johnson, advisers charge from 1% to 1.5% of assets under management. To find a financial planner and for general information on financial planning, check out the websites of the National Association of Personal Financial Advisors, ([www.napfa.org](http://www.napfa.org)), and the Certified Financial Planner Board of Standards ([www.cfp.net](http://www.cfp.net)).



### Why You Need a CPA

A certified public accountant can help you with tax strategies. For example, should you donate to charity to lessen your tax burden? Would you benefit from increasing your 401(k) contributions for the rest of the year, or accelerating payments so that you get the credit for 2011, or deferring income to next year? A CPA might also determine that you could maximize tax benefits by matching stock losers and winners so you have no capital gains.

Meeting before the close of the year is important, too, when it comes to tax planning. Action steps taken before Dec. 31, can save you come tax time. When you're looking for an accountant to add to your team, you want not only the CPA credential, but someone active in professional societies and who maintains continuing education requirements, and works with people in your income level and profession.

Ask how long they've been in business and where they worked previously. How much you will pay for a CPA's advice depends on the scope of services you will need, but can start at \$500 and go up from there, says certified public accountant Genevia Gee Fulbright, president of Fulbright & Fulbright, CPA in Durham, North Carolina. She suggests asking what the minimum fee is.

"Sometimes unscrupulous individuals claim to have licenses and experience. It's easy to check online lists with boards certifying professionals to see that the individual is licensed before you hire them," says Gee Fulbright. A good place to start is the American Institute of CPAs ([www.aicpa.org](http://www.aicpa.org)), which can direct you to your state's CPA society.

To prepare for the meeting, peruse prior records and come up with questions and concerns that you've had in the past. Ask the CPA what specifically you should bring.



### Why You Need an Insurance Agent

A life insurance agent needs to know about any life changes that would impact the level and type of coverage needed. Significant life events include marriage, divorce, birth or adoption of a child, a considerable increase in income from a promotion or job change, or an increase in liabilities, due to major purchases such as a new car or home.

"Most people do their financial planning when a financial tragedy happens to one of their family members or someone they know," says Kenneth J. Royster, senior financial planner and chartered life underwriter (CLU) with First Genesis of Virginia, an office of MetLife. Why wait?

You want to ask questions similar to those posed to other team members, as well as, "Will you be accessible when I have questions? What licenses do you hold? Where did you receive your training?" recommends Royster. You can check with your state department of insurance to see if they are licensed and whether there have been any problems with your prospective agent.

If you're wondering how much insurance you might need and to learn more about the various types of insurance, the Life and Health Insurance Foundation for Education ([www.lifehappens.org](http://www.lifehappens.org)) and [www.lifeinsuranceindepth.com](http://www.lifeinsuranceindepth.com) can get you on your way.



"The economy made this a necessity."

—Chantay Bridges



### Why You Need an Estate Planning Attorney

"As long as you are not dead, you need to do estate planning," says Lori Anne Douglass, a partner with Moses and Singer L.L.P., specializing in estate planning. While nobody likes to contemplate their end, it will come. Choose to be financially ready. Estate planning isn't only about transferring generational wealth, it's about having your final say. Everybody needs a will.

"People don't often realize how much their assets are worth," she explains. It's important to put assets in a trust because you can structure it with stipulations, such as how the money is to be used, or when. By making lifetime gifts, you remove not only the value of the asset gifted, but any subsequent appreciation on the asset, from your taxable estate. If, for example, you have a house currently worth \$3 million, "you can make a gift of the house now, and if, upon your death in 20 years, the house is worth \$10 million, you have removed that additional \$7 million from your taxable estate."

Douglass cautions, however, that one should never attempt to gift assets without first speaking to a qualified trusts and estates attorney because in addition to estate tax considerations there are gift tax, income tax, and other federal and state transfer tax consequences that must be taken into consideration. The cost of working with an estate attorney will vary depending on your location and estate planning needs. Some attorneys will charge an hourly rate or offer flat fee billing.

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