

INTERNSHIP AGREEMENT BETWEEN SPONSORING FIRM AND INTERN

Time commitment

Minimum of 8 hours per week (up to 40 hours/week) commitment by intern and supervisor, contingent on satisfactory progress as determined by supervisor and satisfactory learning opportunities as determined by intern.

Suggested Intern Activities

- ***Administrative and Practice Management*** (__ %)

1. Become familiar with operation of client database and how it is used to track client communications, schedule appointments, set reminders, track activity, and generate letters and other forms of communication.
2. Become familiar with filing systems and record-keeping requirements.
3. Become familiar with firm's Financial Planning Software.
4. Transfer data into new technology as necessary.
5. Take notes and participate in client meetings/calls, and update CRM records as needed for changes in beneficiaries, estate plans/needs, and insurance.

Goals

- Learn how to use all of the firm's software to facilitate on-boarding of new clients and management of existing client data and information.
- Identify ways that the firm's software can reduce operations costs and provide enhance client service in a financial planning firm.
- Understand how the firm's software can be interfaced with other financial planning and investment management software to streamline operations and reduce redundancy.

- ***Financial Plan Preparation*** (__ %)

1. Assist in all steps involved in developing a financial plan, from initial client contact through plan presentation. Ensure that the planner discusses both the initial meeting process and how the client's financial statement data is used.
2. Gather and organize client documents according to firm guidelines.
3. Enter client data into financial planning and investment analysis software programs.
4. Gather data and aid in preparation for client meetings.
5. Research specific questions pertaining to clients' situations.
6. Discuss and understand how the firm facilitates/ensures client follow through.

Goals

- Complete a comprehensive financial plan from initial client interview through written recommendations.
- Develop a comprehensive list of financial planning resources

• **Portfolio Management (__ %)**

1. Review client portfolio holdings and allocations in both Qualified and Non-Qualified accounts. Note any holdings that are not consistent with tax preferenced accounts and holdings that are inconsistent with the client's stated risk tolerance guidelines.
2. Using the firm's investment software to build either hypothetical or client-specific portfolios. Explain the screening criteria and why the screens add value.
3. Provide a pro-forma asset allocation for clients based on combined Qualified and Non-Qualified holdings.
4. Shadow staff to learn Reallocation models, how to run rebalancing reports, and how to execute and verify trades in various assets.

Goals

- Understand firm's asset allocation and portfolio building processes.
- Gain practical understanding of various asset classes and valuations.
- Understand firm's portfolio software.
- Learn the trading function and see how it compares with defined best practices.

• **Marketing and Client Relations (__ %)**

1. Sit in and observe a client-advisor meeting. Take notes for entry into the firm's CRM. Alternatively, participate in a mock initial and existing client review meeting and solicit feedback from the planner (who will take the client's role).
2. Spend time with and assist marketing dept (if relevant) or planner with marketing initiatives.
3. Talk with different planners in the firm and have them share how they started out, their natural market, how they accessed early clients, their referral process, etc..
4. Attend any seminars put on by the firm. Record how the firm measures success on these and other marketing efforts.

Goals

- Learn the steps required to successfully prospect for potential clients.
- Learn the firm's process for qualifying and closing potential clients.
- Know how to determine basis from holdings data.

• **Sample Intern Projects (__ %)**

1. Update client bases for all asset holdings in all accounts. Make sure to identify holdings and basis in Qualified accounts that may be exempt from income taxes.

2. Research relevant projects for planners and clients such as Roth Conversions, Mortgage refinancing alternatives, and IRS changes.

Goals

- Know how to determine basis from holdings data.
- Understand tax consequences for Qualified holdings and the firm's guidelines to ensure that Qualified holdings are correctly accounted for when distributed.
- Learn how to research and explain changes in financing and taxes.

Compensation

1. Compensation determination to be based on DOL Fair Labor Standards Act (#71). The standard is between \$10 - \$15/. No benefits required.
2. Firm may agree to sponsor intern for any required licenses.

Expectations

1. No "cold calling" or "telemarketing" allowed.
2. Student will be used in multiple functions relating to financial planning as a career.
3. Student must join local FPA or be a member in good standing. Participating firm must also be an FPA member in good standing.
4. Students will sign the firm's confidentiality agreement.
5. Student will submit a page summary of hours worked, duties or responsibilities, and a brief description of what worked (or did not work) – including skills that need to be improved on - to both the supervisor and the coordinator.

Duration

1. The number of weeks is a function of the Intern's time commitment. Standard internships in the Financial Planning industry can run from 200 – 400 hours (10 – 26 weeks).
2. Both the number of weekly hours and the number of weeks should be determined ahead of time and be agreed to by both parties. This will provide the firm an opportunity to best design a week to week work structure that will optimize the intern's experience while ensuring that the firm benefits from the intern's skills.

Reviews and Performance Evaluation

Monthly meetings to evaluate progress and review mutual expectations.

At end of the internship the student will provide a written evaluation, focusing on:

- What skills were addressed, both on a quantitative and a qualitative basis.

Internship Agreement

- The level of guidance and knowledge that was provided by the firm.

Termination: Either the intern or the firm may terminate the internship upon cause. While this agreement recognizes that differences may arise, the intern may request a due process meeting with the supervisor, the FPAVC intern coordinator, and the intern.