

What is a Personal Financial Specialist?

A Personal Financial Specialist (PFS) is a Certified Public Accountant (CPA) who meets the financial planning requirements established by the American Institute of Certified Public Accountants (AICPA). The credential is awarded only to CPAs who demonstrate the requisite experience, education, examination, and ethical standards established by the AICPA.

What are the requirements?

In order to obtain the PFS credential, an applicant must:

- Be a CPA in good standing
- Be a member in good standing with the AICPA
- Earn a minimum of 80 hours of personal financial planning education
- Pass a comprehensive Personal Financial Planning exam
- Have at least two years (or 3,000 hours equivalent) of full-time financial planning business experience
- Agree to be bound by the AICPA Code of Professional Conduct; and
- Meet continuing education requirements

What does a CPA/PFS do?

CPAs with the PFS credential are able to address their clients' comprehensive financial planning needs through their training in business, tax, estate, charitable giving, investments, risk management, and retirement planning. Every area of your plan has potential tax implications. You can be assured with a CPA/PFS credential holder that these issues will be integrated into your financial plan and not overlooked.

Some areas in which a CPA/PFS may offer services include:

- **Taxes.** As a CPA, the PFS professional is educated and trained in corporate, estate, and income taxation. A CPA/PFS is able to help you make financial planning decisions with a clear understanding of the tax impact.
- **Business planning.** A CPA/PFS has the experience and background to help with succession planning and other issues that affect your financial goals.

- **Investments.** A CPA/PFS can provide information on the investments you have, and advise you on the changes that will be in your best interest, based on your financial goals.
- **Estate planning.** Service can include enhancing your estate value, conserving existing assets, minimizing estate and transfer taxes, and facilitating the transfer of your assets to your heirs or charitable organizations.
- **Retirement planning.** A CPA/PFS can help you identify your retirement goals and establish a plan to maximize your income for a comfortable retirement.
- **Risk management.** Many PFS credential holders can offer expertise in risk management, including strategies involving life and long-term care insurance, and liability coverage.

While addressing these needs, it is important to understand the standard of care to which a CPA/PFS is held. As CPAs, they are licensed and regulated by their state board and must provide a standard of care defined by the law. Penalties for noncompliance are much more than losing a credential or membership; a CPA's license to practice in that state could be in jeopardy. In addition, there may be repercussions for breaking state laws.

How can a CPA/PFS help you?

A CPA with the PFS credential will help you by taking a holistic approach to your financial planning process. No recommendation is made without considering the impact on all of your goals. He or she can help you control expenses and develop and implement a plan for retirement, education, or wealth protection. He or she can also offer advice in tax planning or asset management. Specifically, a CPA/PFS can help you:

- Establish financial and personal goals through objective analysis of your situation
- Evaluate your financial well-being through a thorough analysis of your assets, income, liabilities, taxes, investments, and insurance
- Identify areas of concern and help you address them with a suitable plan that emphasizes your financial strengths while reducing your financial weaknesses
- Establish plans to effectively transfer accumulated wealth to either successive generations or charitable organizations
- Review your plan periodically to accommodate your changing personal circumstances and financial goals

Is a CPA/PFS right for you?

The financial world has become a very complex place. Even if you're used to handling your own financial affairs, the time may be right to consult a CPA/PFS who can review your financial situation and offer suggestions that may help you reach your financial goals.

For example, are you familiar with all of the different investment opportunities that might be available to you? Are you on track to meet your financial goals, such as saving for your child's college education, securing enough income for a comfortable retirement, or protecting your assets against risks and lawsuits?

A CPA/PFS can offer the analysis you need to answer these and other important financial questions.