



Interviews Can Help You Choose an Estate-Planning Lawyer and CPA

2 Players Are Key to Your Financial Team

by Alexandra Armstrong, CFP

Recently I've written articles about selecting and working effectively with a financial planner. But there are two other closely allied financial professionals — the estate-planning lawyer and accountant — who are very important members of your financial-planning team.

Given the complexity of the tax code and the fact it seems to keep changing, many people use an accountant to help them prepare their tax returns. Typically, you meet or at least talk with your accountant annually. In some cases you might need to meet twice a year — early in the year to provide your accountant with your information and later in the year to discuss some year-end tax planning.

You meet less often with your estate-planning lawyer — at least every five years. You should consult this person to set up your estate plan and when estate-tax laws or your circumstances change: births, deaths, divorce, inheritance, the sale of a business, etc.

When selecting these two professionals, many of the same guidelines we gave you for finding a good financial planner apply (*see* BetterInvesting Magazine, *February 2012*). But we think some other specific suggestions apply to the two professions. Of course, you want all your financial advisers to be knowledgeable in their field, ethical, empathetic and experienced. But how do you go about finding the right lawyer and accountant for your particular situation? Let's start with the general guidelines.

1. How to Find Them

Ask your other professional financial advisers — financial planners, bankers, stockbrokers, etc. — to give you names, phone numbers and email addresses of people they'd recommend. Ask your friends for recommendations as well.

2. How to Select Them

Once you have a list of candidates to interview, check their websites. We suggest you call at least two potential advisers in each field and ask for an appointment. Explain that you're looking for someone to help you and that you want to have an initial consultation before making a final decision. There should be no charge for this informational meeting, but at the same time you shouldn't expect to receive specific advice during this meeting. Ask whether the adviser wants you to bring any information, such as last year's tax return, to the meeting to make it more productive.

3. The Introductory Interview

When you meet with the adviser, ask who'll be doing your work. Often the senior lawyer or accountant you meet with

initially will delegate part or even all the work, acting more as a supervisor. This is fine; you just need to know their procedures. If someone else is going to do work on your situation, ask to meet that person as well.

4. Find Out How Much They Charge

Ask what the adviser's hourly rate is and the estimated total fee. Understand that your fee will partly depend on you. The more organized your information is when you give it to your adviser, the fewer hours he or she will have to spend sorting through the information. But we wouldn't recommend you pick the adviser who quotes the lowest rate.

The person who quotes a higher hourly rate may be more efficient, experienced, or both, and thus can give you more useful information in a shorter time. Your selection of an adviser depends on the level of advice and service you require.

Tell the adviser to let you know whether after reviewing all your information, it appears that your situation will take more time than originally estimated. If your fee is going to be higher than initially given, you want to get some advance warning.

5. How Long Will the Process Take?

Ask how long the adviser thinks it'll take to prepare your work. For instance, will the estate-planning documents or tax returns be ready in a month or will it take longer? Have reasonable expectations in this regard. One common complaint we hear from estate-planning lawyers is that people call them expecting a will to be finished right away because they're leaving for Europe in a week.

Accountants can't accept a new client who calls on April 1 and wants the tax return filed by April 15. In fact, most accountants refuse to accept new clients after the end of February unless they agree to file for an extension. (Incidentally, don't worry about filing for an extension. We've been told that extended returns are often less audited than ones filed on time.)

We recommend starting a new relationship with an accountant after this year's tax returns have been prepared. Late October is a good time — after the Oct. 15 extended filing date and before year-end.

6. Consider the Age of Your Adviser

Since you'll want to use this adviser over an extended period, it's good to consider an adviser who's younger than you are. This way, as you age, your adviser can help you keep current with the latest trends in their fields. In addition to the general guidelines for selecting these advisers, there are also considerations specific to the particular profession.

7. Selecting Your Lawyer

We might be stating the obvious when we recommend you select an estate-planning lawyer to put together your estate plan, but we're surprised by how many people think any lawyer will do. Federal and state estate laws are complex. Part of your estate-planning lawyer's role is to ask questions about how you want your assets distributed based on the attorney's experience with other estates. The lawyer often will bring up subjects you haven't previously considered.

Check the Martindale-Hubbell Law Directory to see whether the lawyer you select is described as having experience working with estates and trusts. If you're unable to obtain a personal recommendation for a lawyer, contact the state bar association, located in your state capital, and ask for a list of estate-planning lawyers in your area.

If yours is a complex situation, you may need a more experienced lawyer. If so, the American College of Trust and Estate Counsel is composed of

lawyers who concentrate on complex cases. The members must have a minimum of 10 years' experience in estate planning. You can find a member in your area at its website (*see Websites of Interest at end of story*).

8. Selecting Your Accountant

The best-known credential in accounting is the Certified Public Accountant. But some tax preparers aren't CPAs; they're "enrolled agents" who specialize in preparing individual tax returns and can represent you with the Internal Revenue Service, if necessary.

Your primary concern is that the accountant you select is experienced in preparing individual tax returns rather than corporate returns. If yours is a simple situation, a tax preparer at a national tax service firm might be helpful. On the other hand, if you need more sophisticated tax advice as well as tax preparation, we think you should go with an accounting firm at which you'll receive more individual attention.

Conclusion

In our opinion, the financial planner, estate-planning lawyer and accountant are the key members of your financial-planning team. Once you've selected these three important advisers, we recommend you give each one the name of your other two advisers. With your permission, these three advisers can consult with each other when necessary to help you better achieve your long-term financial planning goals. Then make sure your family members know how to contact them as well should it be necessary. **B**

Websites of Interest

American College of Trust and Estate Counsel (ACTEC)

www.actec.org

American Institute of Certified Public Accountants

www.aicpa.org/ForThePublic/FindACPA/Pages/FindACPA.aspx

National Association of Enrolled Agents

www.naea.org

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