

# Professional Designations

Below is an explanation of professional designations that are common in our industry and may be used by Northwest Asset Management associates. The explanations below help you understand what the designations mean and what financial advisors do to obtain them.

To check whether an investment advisor representative holds a professional designation, please refer to their ADV Part 2B Brochure Supplement. Do not rely solely on a title or designation to determine whether a financial professional has the expertise that you need.

## **AAMS®: ACCREDITED ASSET MANAGEMENT SPECIALIST**

The AAMS® designation is offered by the College for Financial Planning. Individuals who hold the AAMS® designation have completed a course of study encompassing investments, insurance, tax, retirement, and estate planning issues. The program is designed for approximately 120-150 hours of self-study. The program is self-paced and must be completed within one year of enrollment.

Individuals are required to pass an online timed and proctored end-of-course examination with a score of 70% or higher. The examination tests the individual's ability to relate complex concepts and apply theoretical concepts to real-life situations. All designees have agreed to adhere to the Standards of Professional Conduct and are subject to a disciplinary process.

To retain the AAMS® designation, designees are required to complete 16 hours of continuing education (CE) every two years.

## **AFC®: ACCREDITED FINANCIAL COUNSELOR**

The Accredited Financial Counselor (AFC®) designation is issued by the Association for Financial Counseling and Planning Education (AFCPE®). The certification program focuses on comprehensive life-cycle financial education. Requirements include:

- 1000 hours of financial counseling experience
- passing a final certification exam
- completing 30 hours of continuing education every two years

AFC® certificants are subject to disciplinary rules and procedures, including a customer complaint process administered by the Association for Financial Counseling and Planning Education.

## **AIF®: ACCREDITED INVESTMENT FIDUCIARY®**

The AIF Designation certifies that the recipient has specialized knowledge of fiduciary standards of care and their application to the investment management process. To receive the AIF Designation, the individual must meet prerequisite criteria based on a combination of education, relevant industry experience, and/or ongoing professional development, complete a training program, successfully pass a comprehensive, closed-book final examination under the supervision of a proctor and agree to abide by the Code of Ethics and Conduct Standards. To maintain the AIF Designation, the individual must annually attest to the Code of Ethics and Conduct Standards and accrue and report a minimum of six hours of continuing education annually. The Designation is administered by the Center for Fiduciary Studies, the standards-setting body of fi360.

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### **AIFA®: ACCREDITED INVESTMENT FIDUCIARY ANALYST**

The AIFA® designation certifies that the recipient has advanced knowledge of fiduciary standards of care, their application to the investment management process, and procedures for assessing conformance by third parties to fiduciary standards. The certification is administered by the Center for Fiduciary Studies, LLC (CFS).

To be eligible to receive the AIFA® designation, individuals must have already completed the AIF training program, and passed the AIF exam. Additionally, the individual must have met a minimum prerequisite score based on the candidate's educational background, professional training, and work experience. To receive the AIFA® designation, individuals must then complete a training program, successfully pass a comprehensive, closed-book final examination and agree to abide by the AIFA® Code of Ethics. To maintain the AIFA® designation, the individual must annually renew their affirmation of the AIFA® Code of Ethics and complete ten hours of continuing education credits.

### **APMA®: ACCREDITED PORTFOLIO MANAGEMENT ADVISOR<sup>SM</sup>**

The Accredited Portfolio Management Advisor<sup>SM</sup> (APMA®) is a designation issued by the College for Financial Planning. This designation educates advisors on the finer points of portfolio creation, augmentation, and maintenance. The designation is focused on analyzing investment policy statements, building portfolios, and making asset allocation decisions.

To attain and maintain the right to use the APMA® designation, an individual must satisfactorily fulfill the following requirements:

- Education – complete the APMA course.
- Examination – pass a closed book exam.
- Ethics – agree to be bound by the APMA ethics code, practice standards, and disciplinary and complaint procedures.
- Continuing Education – 16 hours every two years

### **AWMA®: ACCREDITED WEALTH MANAGEMENT ADVISOR<sup>SM</sup>**

The AWMA® designation is issued by the College for Financial Planning. The designation's program aims to help advisors better understand and address the needs of high-net-worth clients. Designation holders are educated in behavioral finance, working with small businesses, and succession/exit planning.

Designation holders must complete the AWMA® course within 120 days of receiving program material. The individual must then receive a passing mark of at least 70% on a closed-book final examination. All members who hold the AWMA® designation are required to complete 16 hours of continuing education (CE) credits every two years. All designees have agreed to adhere to the Standards of Professional Conduct and are subject to a disciplinary process.

### **BFA™: BEHAVIORAL FINANCIAL ADVISOR™**

The Behavioral Financial Advice program offered by Kaplan Financial Education is designed to train, develop, and improve the moral and emotional competencies necessary to help the advisor, as well as their clients, make better decisions throughout the financial planning process. The program requires completion of 2 courses related to behavioral finance as well as a final certification exam. Behavioral Financial Advisors must complete 20 hours of continuing education every two years.

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### **CAP®: CHARTERED ADVISOR IN PHILANTHROPY**

Focused on strategies for philanthropic planning, the three-course CAP® program offered by The American College teaches the skills needed to advise clients on charitable giving or guiding charitable organizations in their fund-raising efforts. Three years of full-time relevant business experience is required for the CAP® program. The three-year period must be within the five years preceding the date of the award. Relevant experience may include working in a nonprofit organization, serving on a nonprofit board, or volunteering. To receive a CAP® designation, one must successfully complete all courses in the program, pass a proctored exam for each course, meet experience requirements and ethics standards, and agree to comply with The American College Code of Ethics and Procedures. Designation holders who are considered client facing are required to complete 30 credit hours of continuing education (CE) every two years, including one (1) hour of ethics CE.

### **CDFA®: CERTIFIED DIVORCE FINANCIAL ANALYST**

The Certified Divorce Financial Analyst™ (CDFA™) is a self-study course that provides comprehensive training using a variety of knowledge and skill-building techniques. The course is comprised of four modules. Candidates study one module at a time, complete it, and then take an exam based on the material for that module at one of the 300 test sites across the country. After passing each exam, the candidate may begin working on the next module until all four have been completed.

After completing the case study exam, the candidate sends it to the Institute for Divorce Financial Analysts™ (IDFA™) for personalized grading and comments. Upon successful completion of the comprehensive case study exam, the candidate receives a certificate and designation as a Certified Divorce Financial Analyst™ (CDFA™). This course has been accepted by the CFP Board, The American College, the National Association of State Boards of Accountancy (NASBA), and the Investment Management Consultant Association (IMCA) as CE Providers for 32 CE credits, 32 PACE credits, and 25 CPE credits.

To retain the CDFA™ designation, you are required to complete 20 Continuing Education (CE) credits every two years. A minimum of 10 must be divorce related. The rest can be on financial planning or tax topics obtained through attending CE seminars offered by accredited financial associations and state/provincial insurance Continuing Education Units (CEUs).

### **CFA®: CHARTERED FINANCIAL ANALYST®**

The Chartered Financial Analyst® (CFA®) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals.

To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

High Ethical Standards:

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- Place their clients' interests ahead of their own.
- Maintain independence and objectivity.
- Act with integrity.
- Maintain and improve their professional competence.
- Disclose conflicts of interest and legal matters.

#### Global Recognition:

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders—often making the charter a prerequisite for employment.

Additionally, regulatory bodies in over 30 countries and territories recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

#### Comprehensive and Current Knowledge:

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession. To learn more about the CFA charter, visit [www.cfainstitute.org](http://www.cfainstitute.org).

#### **CFP®: CERTIFIED FINANCIAL PLANNER™**

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered professional certification marks (collectively, the “CFP® marks”) granted by the United States by Certified Financial Planner Board of Standards, Inc. (“CFP® Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold a CFP® certification.

To attain the right to use the CFP® designation, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and as of January 2007, attain a bachelor's degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
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- Examination – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and Client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete ongoing education and ethics requirements to maintain the right to continue to use the CFP® marks. This requires 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and renewal of an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their Clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to the CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification. Check Designation Status Online at [www.cfp.net/verify-a-cfp-professional](http://www.cfp.net/verify-a-cfp-professional)

### **ChFC®: CHARTERED FINANCIAL CONSULTANT®**

The ChFC® designation is issued by The American College of Financial Services and designed are meant to prepare a financial professional to advise a full range of potential clients on a diverse set of subjects. The ChFC® designation program covers some of the top challenges faced by a financial professional. Through a college-level curriculum focused on practical application and case studies, one gains expertise in long-standing fundamentals such as financial planning process (personal and business-related), retirement planning, estate planning, income tax strategies, and risk management strategies. The seven core and two elective courses are equivalent to 27 semester credit hours. Includes a final closed-book, proctored exam for each course.

The qualification and educational requirements for the ChFC® are three years of full-time business experience within the five years preceding the awarding of the designation. 30 hours of continuing education are required every two years.

Check Designation Status Online at [www.designationcheck.com](http://www.designationcheck.com)

### **CIMA®: CERTIFIED INVESTMENT MANAGEMENT ANALYST**

This designation focuses on asset allocation, ethics, due diligence, risk measurement, investment policy and performance measurement. Only individuals with at least three years of professional experience are eligible to try to obtain this certification, which signifies a high level of investment management expertise. The Investment Management Consultants Association offers the CIMA courses.

Individuals who hold CIMA designations are required to prove their expertise through continual recertification, which requires CIMA designees to complete at least 40 hours of continuing education every two years.

### **CKA®: CERTIFIED KINGDOM ADVISOR**

The Certified Kingdom Advisor (CKA®) designation is issued by Kingdom Advisors, Inc. CKA® designated advisors have demonstrated the ability to apply Biblical wisdom in financial practices. All candidates must sign a "Statement of Faith," obtain a letter of reference from a pastor or member of pastoral staff, a signed statement of personal stewardship, and two client references.

CKA® professionals must either hold one of the following industry approved designations: CFP®, ChFC®, CPA, CPA/PFS, EA, CFA, CIMA®, AAMS, CLU®, JD, or hold 10 years of experience in the discipline in which applying for the Certified Kingdom Advisor® designation. Additionally, they must complete the CKA® Educational Program, maintain active status as a CKA®, and maintain ongoing annual compliance requirements. Annual renewal requirements include completion of 10 hours continuing education with Kingdom advisors, Inc., active Kingdom Advisors membership, and completion of an annual renewal. CKA® professionals who fail to comply with the above standards and requirements risk suspension or permanent revocation of their CKA® certification.

### **CPA: CERTIFIED PUBLIC ACCOUNTANT**

CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA Examination.

To maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two-year period or 120 hours over a three-year period). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous Code of Professional Conduct which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services. Most state boards of accountancy have adopted the AICPA's Code of Professional Conduct within their state accountancy laws or created their own.

### **CPFA®: CERTIFIED PLAN FIDUCIARY ADVISOR**

The Certified Plan Fiduciary Advisor (CPFA®) designation is issued by the National Association of Plan Advisors (NAPA). Plan advisors who earn their CPFA designation demonstrate the expertise required to act as a plan fiduciary or help plan fiduciaries manage their role and responsibilities. CPFA coursework covers four key areas, (1) ERISA Fiduciary Roles and Responsibilities, (2) ERISA

Fiduciary Oversight, (#) ERISA Plan Investment Management, and (4) ERISA Plan Management. To earn the CPFA credential, candidates must pass the CPFA examination, a proctored, closed-book exam. To retain the CPFA designation, holders must pay a nominal annual fee and complete 10 hours of Continuing Education (CE) each calendar year following the calendar year the CPFA designation is earned. CE hours must meet NAPA's content standards and must include ethics and retirement plan topics. Designation holders can select CE coursework through NAPA or a third-party provider. Third-party CE credits are subject to an audit by NAPA.

### **CRPC®: CHARTERED RETIREMENT PLANNING COUNSELOR**

Individuals who hold the CRPC® designation have completed a course of study encompassing pre-and-post retirement needs, asset management, estate planning and the entire retirement planning process using models and techniques from real client situations. Additionally, individuals must pass an end-of-course examination that tests their ability to synthesize complex concepts and apply theoretical concepts to real-life situations.

All designees have agreed to adhere to Standards of Professional Conduct and are subject to a disciplinary process.

Designees renew their designation every two-years by completing 16 hours of continuing education, reaffirming adherence to the Standards of Professional Conduct, and complying with self-disclosure requirements.

### **CRPS®: CHARTERED RETIREMENT PLANS SPECIALIST**

The CRPS is specifically targeted at professionals who design, install, and maintain retirement plans for the business community. Applicants must also disclose any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct. Conferment of the designation is contingent upon the College for Financial Planning's review of matters either self-disclosed or which are discovered by the College that are required to be disclosed.

Successful students receive a certificate and are granted the right to use the designation on correspondence and business cards for a two-year period.

Every two years, CRPS professionals must complete 16 hours of continuing education and pay a nominal fee to continue using the designation.

### **CSRIC®: CHARTERED SRI COUNSELOR™**

The CSRIC® designation is awarded to experienced financial advisors and investment professionals with knowledge of history, definitions, trends, portfolio construction principles, fiduciary responsibilities, and best practices for sustainable, responsible, and impact (SRI) investments. Chartered SRI Counselor™ and CSRIC® are granted by the College for Financial Planning. To obtain and retain the designation advisors must:

- Complete coursework and pass the CSRIC exam.
- Agree to be bound by the CSRIC Code of Ethics
- Agree to be subject to the CSRIC Complaint Procedure.
- Complete 16 hours of Continuing Education every two years.

### **QPFC: QUALIFIED PLAN FINANCIAL CONSULTANT**

QPFC is the professional credential for financial professionals who sell, advise, market, or support qualified retirement plans. The QPFC program provides an understanding of general retirement planning concepts, terminology, distinctive features of qualified plans and the role of retirement plan professionals. A candidate will be expected to demonstrate a general proficiency in plan administration, compliance, investment, fiduciary, and ethics issues.

Earning ASPPA's QPFC credential requires successful completion of the following examinations: Retirement Plan Fundamentals, Retirement Plan Fundamentals II, Plan Financial Consulting, Plan Financial Consulting II, and PFC Live Course Instruction.

All credentialed members must acquire 40 hours of Continuing Professional Education (CPE) credits (2 of these must be Ethics) in a two-year-cycle as well as renew your ASPPA Membership annually to retain credentials.

### **RICP®: Retirement Income Certified Professional**

The RICP® designation offered by The American College of Financial Services equips financial professionals with the knowledge to effectively manage the transition from asset accumulation during a client's working years to asset decumulation in retirement.

The qualification and educational requirements for the RICP® are three years of professional experience; three required courses equivalent to 9 semester credit hours, a final course exam for each course – closed-book and proctored; and 15 hours of continuing education every two years.

Check Designation Status Online at [www.designationcheck.com](http://www.designationcheck.com)

### **RMA®: RETIREMENT MANAGEMENT ANALYST**

The Retirement Income Industry Association (RIIA) may grant this designation. This designation is earned after completing an educational and ethics training curriculum that teaches financial advisors the RIIA Advisory Process to provide successful retirement income solutions to clients.

The RMA<sup>SM</sup> designation is focused specifically on key concepts and practical applications of retirement income planning and management, as well as the construction of portfolios to support retirement income. It does not cover the basics of retirement rules (IRAs, employer plans, etc.) or investments and other retirement income products and services because they are covered in many other traditional venues.