



## **FPA ADVOCACY POLICIES, GUIDELINES, AND PROCEDURES**

### **9.8 Political and Legislative/Regulatory Policy of the Governance Handbook**

The FPA Advocacy Policies, Guidelines, and Procedures contain recommendations to be used to guide the development of FPA's advocacy program. These recommendations aim to streamline FPA's advocacy program but also allow leeway in its interpretation and implementation.

#### **Purpose of FPA Advocacy**

A successful advocacy program will position FPA as a leading and critical voice on policy issues that affect the community of CFP professionals and advances and protects the financial planning profession. FPA must seek to:

- Be recognized by CFP professionals, policymakers, regulators, and the media as a familiar and trusted resource on financial planning matters.
- Provide feedback regarding financial planning legislation and regulation and be a resource to elected officials.
- Educate policymakers on the financial planning profession.
- Ensure policymakers are familiar with the standards associated with CFP certification and the need for one recognized and trusted financial planning designation.
- Engage FPA's membership in legislative and regulatory issues that directly affect them and their practices.
- Advance the interests of FPA, its members and CFP professionals consistent with the primary aim and strategic directive.

#### **FPA Advocacy Filter**

Section 2.1.3 of the FPA Bylaws will serve as a filter for policy decisions. It states: "FPA will proactively advocate the legislative, regulatory and other interests of financial planning and of CFP licensees. FPA will encourage input from all of its members in developing its advocacy agenda. It is the intent of FPA not to take a legislative or regulatory advocacy position that is in conflict with the interests of CFP licensees who hold themselves out to the public as financial planners."

#### **Focus of FPA's Advocacy**

FPA's state and federal advocacy resources will be focused on policies that directly impact the operations of CFP professionals, specifically:

- The regulation of financial planning practices (including promoting uniformity).
- Proposals that would inhibit or promote access to those practices (including taxation of financial planning practices).
- Proposals that would promote the financial planning profession

The following questions will be asked when making a decision on whether to pursue a policy decision:

- i. Does FPA need a determination now, or can it monitor the development of the proposal?
- ii. Does the proposal widen or threaten access to CFP professionals?
- iii. Is there another organization that is focusing on the proposal that FPA can associate or partner with to leverage resources and/or influence?
- iv. Does the proposal directly regulate or impact the practice of financial planning?
- v. Does the proposal inhibit or promote access to the practice of financial planning?

### **Role of the Legislative and Regulatory Issues Committee (LRIC)**

The purpose of the Legislative and Regulatory Issues Committee (LRIC) is to assess and influence financial planning related legislative and regulatory issues affecting CFP practitioners and the profession and to make public policy recommendations to the FPA Board. Composition and responsibilities of LRIC members can be found in LRIC's Organization & Member Responsibilities.

### **Broad Process of LRIC**

- FPA Advocacy staff or members will introduce policy matters to the committee, during conference calls or meetings.
- LRIC will deliberate and weigh options, including whether to make recommendations to the full FPA Board or the Executive Committee.
- Policy recommendations made by the LRIC will be advisory in nature.
- The FPA Board liaison will communicate regularly with the National Board on issues of importance.

### **Formal Policy and Advocacy Decision-Making Process**

#### **Advocacy Agenda**

FPA Advocacy staff will create an annual Advocacy Agenda consisting of legislative/regulatory priorities based on input from members and the Board. The Advocacy Agenda will be presented to LRIC in the fall for approval and then will be sent to the Board of Directors for approval. The Advocacy Agenda will serve as the legislative/regulatory agenda for FPA.

#### **Advocacy Survey**

FPA Advocacy staff will survey its members on legislative/regulatory issues on an annual or as needed basis to guide the development of the annual Advocacy Agenda.

#### **Decision-Making Process**

Legislative/regulatory and advocacy decision-making fall into three categories:

- 1) Chapters and Councils
  - a. Chapter and Council affiliation agreements have priority (or must be consulted).

- b. FPA Advocacy Staff may alert Chapters and Councils when legislation/regulation is introduced that falls within the annual Advocacy Agenda. FPA Advocacy staff may provide a means for Chapters and Councils to formally provide input to their elected officials.
  - c. Should Chapters bring ideas for legislative/regulatory action or current pending legislation/regulation to the attention of FPA Advocacy staff or LRIC members that fall outside of FPA's Advocacy Agenda, the following steps should be taken:
    - i. The Chapter or Council will provide the following to LRIC:
      - 1. A brief statement on the issue that summarizes the issue and explains the effect this policy may have on FPA members.
      - 2. A list of organizations that support or oppose the policy and why.
      - 3. A recommendation on the issue (support or oppose the issue).
      - 4. A timeline of when the Chapter/Council needs an answer on the issue.
    - ii. FPA Advocacy staff may contact the Chapter or Council to gather more information regarding the issue.
    - iii. The issue may be brought to LRIC. LRIC may determine whether the Chapter or Council may move forward on the issue based on the information provided by the Chapter or Council, the questions under the Focus of FPA's Advocacy, and any other information.
    - iv. In some instances, LRIC, FPA's Board of Directors, or the Executive Committee may need to hold a special meeting to address the issue for the Chapter/Council in a timely manner.
    - v. FPA's Board of Directors may or may not delegate its authority to LRIC for final decisions on these issues.
- 2) FPA Advocacy Staff/FPA Board of Directors/Public Knowledge
- a. FPA Advocacy staff, FPA Board of Directors, information gained through public knowledge, or other FPA members may bring ideas for legislative/regulatory action or current pending legislative/regulatory issues to the attention of LRIC.
  - b. LRIC may determine whether to move forward on the issue based on the questions under the focus of FPA's Advocacy and any other information.
  - c. FPA's Board of Directors may or may not delegate its authority to LRIC for final decisions on these issues.
- 3) Financial Planning Coalition (FPC)
- a. FPA is a member of FPC, and as such, FPC has joint legislative/regulatory priorities.
  - b. If legislation/regulation falls into FPC's legislative/regulation priorities, then FPC takes the lead on these issues as governed by the FPC Operating Agreement.
  - c. FPA staff should review the FPC Operating Agreement with LRIC members and chapter advocacy directors at least annually.
- 4) FPA Executive Committee

- a. For public policy issues that fall outside of FPA's Advocacy Filter or Focus as stated above, then LRIC may make recommendations to FPA's Executive Committee regarding these issues.
- b. FPA's Executive Committee may need to make determinations regarding issues that fall outside of FPA's Advocacy Filter regardless of whether or not they receive a recommendation from LRIC.

The decision whether to refer policy decisions to the full FPA Board of Directors will be made by the President or Executive Committee. The following policies may require an action of the full board:

- Those that mark a significant departure or shift from previously-held FPA positions.
- Those that will result in or affect legislative activity (i.e. policies that will become law),
- Those that will result in regulatory action (i.e. policies that will have the force of law)
- Any other legislative or regulatory issues that the President or Executive Committee deem appropriate.

If FPA Board of Directors action is taken then the following steps occur:

- FPA Advocacy staff or LRIC members will introduce policy matters and make recommendations
- Chair of LRIC will relay the Committee's recommendations
- Full FPA Board of Directors will deliberate and weigh options, and final decisions will be made by majority vote
- Decisions of full FPA Board of Directors will be binding

**Dissemination of FPA Board of Directors' and/or LRIC Policy Decisions**

- After FPA Board of Directors and/or LRIC vote on policy decisions regarding legislative/regulatory issues, these decisions shall be disseminated to FPA members through FPA's All Member Forum, Chapter Advocacy Directors, and any other means necessary to ensure that members, Chapters, and Councils receive the decisions.