

The Complete Checklist to Starting Your RIA

Starting an RIA Checklist

Legal

- Determine Business Structure
- Create Client Agreements & Contracts
- Purchase Insurance

Registration

- Obtain Series 65 Registration
- File Form ADV Part 1+2
- Register with the SEC or Home State
- Select Custodian

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Hardware

- Check Computer
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Marketing

- Design Logo
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Getting Started

Current research estimates that independent RIAs and dually registered firms manage 23% of assets, an impressive market share for independently based firms. In fact, this number is expected to rise to almost 28% by 2018. To put it simply: there hasn't been a better time to get into the RIA business.

However, creating an RIA is no small undertaking and requires intricate thought and planning. This is why we here at [Bridge](#) decided to create The Complete Checklist to Starting Your RIA.

This comprehensive checklist will go over everything you need to do to get your RIA off the ground.

Legal

Determine Business Structure

Determining which business structure will work best for your RIA is the first step in creating a successful firm. The most common business structures are Limited Liability Companies (LLCs), sole proprietorships, and partnerships. Each structure has specific tax advantages and liability issues. [A tax professional](#) can help you make the right decision and prepare the appropriate operating agreements and corporate formation documents.

Create Client Agreements & Contracts

The client investment advisory agreements and contracts are the foundation for the relationship between you and your clients. Using an attorney to ensure these documents are prepared correctly is highly recommended. [Daniel Peterson](#) is an experienced attorney who works with RIAs. [Contact him](#) to find out more about the services he offers RIAs.

Purchase Insurance

Active risk management is an important part of creating an RIA. Obtaining Errors and Omissions insurance can help mitigate risk. [Nationwide](#) offers an Errors and Omissions policy, or you can purchase a policy completely online through [Calsurance](#).

Registration

Obtain Series 65 Registration

In order to legally practice as an investment advisor, you must obtain a Series 65 registration. In most states, individuals who carry the following designations may have the registration requirement waived: Certified Financial Planner (CFP), Chartered Financial Analyst (CFA), Chartered Investment Counselor (CIC), Chartered Financial Consultant (ChFC), and Personal Financial Specialist (PFS). Find out more about the [Series 65 exam](#) or [sign up](#) to take the exam.

❑ **File Form ADV Part 1+2**

When first starting your RIA, you'll be required to fill out Form ADV parts 1 and 2. In Part 1, you will have to answer questions regarding business practices, ownership and control, and anyone acting on behalf of the advisor. In Part 2 you will further describe the business, fees and compensation, methods of analysis, investment strategies, code of ethics, brokerage practices, and other items. Both of these forms can be completed online after [registering an account](#).

❑ **Register with the SEC or Home State**

Whether you have to register with the Securities and Exchange Commission (SEC) or the state you are operating in depends on the amount of assets under management (AUM) your firm has. If your firm is starting with, or anticipates, \$100 million AUM within the first 120 days of operation, you must register with the SEC. If your firm has, or anticipates, less than \$100 million AUM within the first 120 days, you must register with the state(s). You can complete your SEC registration when filling out the ADV forms. Alternatively, determine the [requirements](#) for your state registration and follow the procedures.

❑ **Select Custodian**

As an RIA you are required, by law, to affiliate with a financial institution (custodian) who will manage the securities and assets of your clients. You will work closely with your custodian on a daily basis, so it's important to consider technological capacities, client service, and reputation when [selecting a custodian](#).

Compliance

❑ **Establish Chief Compliance Officer**

All RIAs are required to establish and maintain policies and procedures to protect investors and prevent violations of federal and state securities laws. Each RIA is required to designate a Chief Compliance Officer (CCO) to develop and enforce its compliance policies and procedures. Utilizing a compliance outsourcing solution, such as [Gery Sadzewicz Consulting](#), can ensure your RIA remains compliant. Gery Sadzewicz Consulting can assist in keeping registrations and regulatory filings current and timely, conducting operational reviews in a timely manner, as well as fulfilling obligations for annual compliance reviews and reports.

❑ **Select Email Archiving Tool**

Having a reliable email service provider is not only essential to corresponding with potential clients, but also important for remaining compliant. RIAs are required to keep all communications between themselves and clients. Google offers an excellent [business email](#) service, and if you opt to use it you'll also have access to Google's other [applications](#) including document editing, presentation creation, and spreadsheet analytics. For an additional monthly fee, you can subscribe to [Google Vault](#), an email archiving tool. Vault will work seamlessly with your Google Applications to ensure all your emails and documents are archived. Archiving emails is the easiest way to hold onto all correspondences between yourself and clients, keeping you compliant.

❑ **Determine Cloud Storage**

RIAs are required, by law, to keep documentation of all correspondences with clients. If you opt to use Google's Vault service, this includes unlimited [cloud storage](#). However, RIAs are not only required to store these correspondences, but also to ensure they're stored securely. An encryption solution, like [Box-cryptor](#), encrypts files on your device before they're stored in the cloud, so they go to the cloud already protected. Boxcryptor is [easy to use](#), syncs seamlessly with Google Drive, offers a free, no-obligation 30 day company [trial](#), and has very reasonable [pricing plans](#) for advisors.

Hardware

❑ **Check Computer**

You will use your computer to run all your financial technologies and manage your client's accounts. Having a reliable, up-to-date computer is an essential component of your RIA business.

❑ **Buy Cell Phone**

A reliable cell phone is also a key component to your RIA. A smartphone will allow you to manage all of your client's and prospect's contact information, and will also help you stay up-to-date on any emails you may get while out of the office.

❑ **Pick Scanner**

A scanner will allow you to convert paper copies and contracts into electronic files so you can store them in your cloud. [The Doxie Go](#) and [Doxie Go Plus](#) are both great options.

Technology

❑ **Purchase Client Relationship Management Software**

Client Relationship Management (CRM) software plays an important role in managing prospective client's information and can act as a hub to manage tasks, processes, and people. A CRM solution like [Redtail](#) allows you to take your contacts, your resources, and your business to-do's and put them in one place. Redtail offers a complimentary import to easily get your information inside of the CRM as well as free training and free support.

❑ **Select Financial Technology**

Having the tools you need to prepare proposals for prospects, onboard new clients, manage client's accounts, research investment options, build client's portfolios, bill clients, and share documents is essential to your RIA. Your financial technology is the core of your business: it helps you complete the day-to-day operations which allow you to grow your client base and run your business smoothly. Bridge Financial Technology's [Atlas-X](#) is an end-to-end financial solution which meets all of your day-to-day RIA operation needs.

Marketing

□ Design Logo

You should hire a graphic designer to create a logo for your RIA. A professionally-designed logo will help add a polished appearance to your new firm. [99 Designs](#) is an excellent design service which provides you dozens of logo design choices quickly and at a reasonable price.

□ Build Website

Having a clean, professional looking website is key to developing your firm's brand. Ideally, you should hire a [professional designer](#) to build your website. Alternatively, you can host a website yourself through [Wordpress](#). If you opt to use Wordpress, you'll have to [learn](#) to use Wordpress's tools to build your website.

□ Utilize Social Media

Utilizing free social media websites is a great way to build your personal brand without spending any money. Creating accounts on websites like [Twitter](#), [LinkedIn](#), and [Facebook](#) can help increase your legitimacy in the industry and attract new potential clients.

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