

# National Association of Independent Public Finance Advisors (NAIPFA)



## Purpose

NAIPFA is an organization of professionals specializing in providing financial advice to public agencies regarding infrastructure financing, long-term capital improvement, marketing of debt issues, and other financial advisory engagements. The association brings together leading independent firms to concentrate efforts on improving the service and support to, and protecting the best interests of, public agencies.

## Membership Categories

### Firm Membership

Member firms must be qualified by experience and practice to advise and assist public agencies on financing capital improvements and in issuing bonds, as their primary business.

- The firm must provide evidence of technical and professional competence to the satisfaction of the Board of Directors.
- The firm must provide financial advisory services as its primary business.
- Member firms must be completely independent, ethically and actually, from bond underwriters, securities dealers, brokerage firms and banks that buy tax-exempt bonds for resale and from legal, engineering and accounting firms.

Member firms *do not* include:

- Firms that do not derive substantially all of their income from direct billings to state and local governments for independent financial advisor services.
- Firms having personnel affiliated with any firms in the Redbook's MUNICIPAL BOND DEALERS section.
- Firms that also provide legal, accounting, credit enhancement and engineering advisory services and for which financing is incidental.

Qualified employees of member firms may become Certified Independent Public Finance Advisors (CIPFA). The employee must be a current employee of the firm, have worked for the member firm for two years not less than 75 percent full time, and have continuously performed financial advisory services for a period of two years. A Bachelors degree or six years of experience in public finance, successful completion of the Certification Test, plus other eligibility standards are required.

### Associate, Academic and Other Members

Individuals or organizations not qualified to be firm or professional members may become associate, academic or other members, if they meet the standards for such membership established by the board of directors. (A separate membership application is available for this membership class.)

## **Information and Membership Application**

Eligible firms may complete this application and submit it to NAIPFA headquarters. Once your membership application is received, it will be reviewed by the Membership Committee and Board of Directors. Upon approval, an invoice for your annual membership dues will be sent. No membership is considered active until membership dues are received. For further information, please contact NAIPFA headquarters:

Roseanne M. Hoban, Executive Director  
National Association of Independent Professional Finance Advisors  
P.O. Box 304  
Montgomery, IL 60538-0304  
Telephone: 630/896-1292 or 800/624-7321 Fax: 209/633-6265  
[rhoban@naipfa.com](mailto:rhoban@naipfa.com)

## **NAIPFA Application for Firm Membership**

Thank you for your interest in becoming a NAIPFA firm member. Please complete the following and submit all pages of the application for consideration.

### **Firm Membership Eligibility**

Member firms must be qualified by experience and practice to advise and assist public agencies on financing capital improvements and in issuing bonds, as their primary business.

- The firm must provide evidence of technical and professional competence to the satisfaction of the Board of Directors.

1. How many years of experience does your firm have advising public agencies?

\_\_\_\_\_ Years

Please provide additional comments, as necessary:

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2. How many advisors, within your firm, advise public agencies?

\_\_\_\_\_ Number of Advisors

Please provide additional comments, as necessary:

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3. Collectively, how many years of experience do the advisors have?

\_\_\_\_\_ Collective years of advisory experience

Please provide additional comments, as necessary:

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4. How many public agencies does your firm currently work with in a financial advisory capacity?

\_\_\_\_\_ Public agencies

Please provide additional comments, as necessary:

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■ The firm must provide financial advisory services as its primary business.

5. Does your firm derive substantially all of its income, exclusive of personal investments, from fees and charges for financial advisory services directly billed to state and local governments and any other income is incidental? Yes \_\_\_\_\_ No \_\_\_\_\_

Please provide additional comments, as necessary:

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■ Member firms must be completely independent, ethically and actually, from bond underwriters, securities dealers, brokerage firms and banks that buy tax-exempt bonds for resale and from legal, credit enhancement, engineering and accounting firms.

6. Does your firm have a relationship, formal or informal, with any other entity that would prevent your firm from providing independent advice to your Public Agency client? Yes \_\_\_\_\_ No \_\_\_\_\_

Please explain:

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7. Does your firm represent the Public Agency for municipal financing to a bond underwriter, securities dealer, brokerage firm or bank as a result of a relationship with them or the execution of Public Agency goals? Public agency goals Yes \_\_\_\_\_ No \_\_\_\_\_ Business relationships Yes \_\_\_\_\_ No \_\_\_\_\_

Please provide additional comments as necessary:

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- 8. Does your firm demonstrate a pattern of continually recommending products or services of the same bond underwriter, securities dealer, brokerage firm or bank?  
Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, please explain:

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- 9. Does your firm demonstrate a pattern of continually being asked by a bond underwriter, securities dealer, brokerage firm or bank to provide an opinion to a Public Agency on the competitiveness of the interest rate and/or terms of that Public Agency's municipal financing?  
Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, please explain:

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Member firms *do not* include:

- Firms having personnel affiliated with any firms in the Redbook's MUNICIPAL BOND DEALERS section.

- 10. Is your firm owned by or affiliated with a firm found in the Redbook's MUNICIPAL BOND DEALERS section?  
Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, please explain:

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- 11. Does your firm have an association with any personnel affiliated with any firms in the Redbook's MUNICIPAL BOND DEALERS section?  
Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, please explain:

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**Firm Contact Information**

The NAIIPA Firm Membership belongs to the firm and not any one individual at the firm. If approved for membership, all staff qualify for membership benefits. Please complete the following information regarding your firm:

<b>Firm Name</b>			
<b>Firm Address (Principal Office)</b>		<b>City</b>	<b>State</b>
<b>Telephone Number</b>		<b>Fax Number</b>	
<b>Branch Office(s) (if applicable)</b>		<b>City</b>	<b>State</b>
<b>Telephone Number</b>		<b>Fax Number</b>	
<b>Name of Manager (or Principal in charge):</b>			

Type of Firm (present):            **Corporation**            **Partnership**            **Sole Proprietor**

Year firm was initially established: \_\_\_\_\_

<b>Number of Employees</b>	<b>Full Time<sup>1</sup></b>	<b>Part Time</b>
<b>Professional</b>	_____	_____
<b>Technical</b>	_____	_____
<b>Clerical</b>	_____	_____
<b>Total</b>	=====	=====

<sup>1</sup> Section 4.3 of the Association’s by-laws defines full-time employees as employees who work not less than seventy-five percent of the Firm Member’s basic schedule.

**Officers, Principals and Professional Staff**

**Officers or Principals of Firm**

Name	Title
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

(Include any and all stockholders or partners in this section.)

**Professional Staff in Firm**

Name	Years of Service with Firm
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Professional staff includes all consultants and financial advisors, analysts, and other professional employees; and does not include clerical or other support staff not directly involved in providing financial advisory services to public agencies.

**Designated Firm Representative**

If your firm is accepted as a member of NAIPFA, the designated representative shall be:

<b>Name:</b>	
<b>Title:</b>	
<b>Address:</b>	
<b>Telephone:</b>	
<b>Fax:</b>	
<b>Email:</b>	
<b>Website:</b>	

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## **NAIPFA CODE OF PROFESSIONAL CONDUCT AND ETHICS**

### **PREAMBLE**

As a representative of the National Association of Independent Public Finance Advisors (NAIPFA), and as a representative of clients, Certified Independent Public Finance Advisors and other employees of member firms, both hereafter referred to as “Advisor”, shall have a responsibility to conduct themselves with dedication, integrity and honor of the profession. An Advisor shall not engage in underwriting activity and shall accept compensation only from the client for providing independent advice.

An Advisor shall provide a client with independent advice on implementing available financing alternatives. Advice given shall adhere to all federal, state and local laws, regulations and rules applicable to the securities industry. As a negotiator, the advisor shall seek the result most advantageous to the client and maintain honor and integrity in dealing with others.

An Advisor shall be competent, prompt and diligent in professional functions. An Advisor shall keep an open line of communication with a client concerning the representation. The Advisor shall keep all client information in confidence except as required by law or this code of ethics.

An Advisor shall be guided by personal conscience and the approvals of professional peers and thus strive to attain the greatest level of skill to improve the quality of advice. In the ever changing environment of laws, securities regulations and rules, it is imperative for the Advisor and NAIPFA to continue our education to provide the highest quality advice. This commitment to continuing education in matters related to advising our clients provides for better Advisors and enhances the credibility of NAIPFA.

### **STANDARDS OF CONDUCT AND ETHICS**

#### **A. Competence** – The Advisor shall:

- Provide competent representation to a client.
- Make thorough preparations applying his/her knowledge and skill.
- Not represent a client beyond his/her competence unless the advisor is associating with an advisor who is competent.
- Seek to maintain the highest professional standards and seek to improve the effectiveness of the position of Certified Independent Public Finance Advisor through continuing professional education.

#### **B. Scope** – The Advisor shall:

- Seek the client’s objectives through reasonably available means permitted by law, securities

regulations, rules and this code.

- Not knowingly engage or assist a client in conduct that is illegal or violates current securities regulations.

**C. DILIGENCE** – The Advisor shall:

- Act with diligence and promptness in representing a client.
- Act with commitment and dedication to the interest of the client.
- Carry through to conclusion all matters undertaken for a client unless the relationship is terminated.

**D. COMMUNICATION** – The Advisor shall:

- Not knowingly sign, subscribe to, or permit the issuance of any Official Statement which contains any misstatement or which omits any material fact.
- Explain a matter to the extent necessary to permit the client to make an informed decision.
- Maintain ongoing communication with the client.
- Comply with all reasonable requests for information.

**E. CONFIDENTIALITY** – The Advisor shall:

- Exhibit loyalty and trust in the affairs and interests of the client.
- Not reveal information relating to representations of a client unless the client consents after consultation.

**F. CONFLICT OF INTEREST** – The Advisor shall:

- Not represent a client if such representation is adverse to another client.
- Not seek or accept personal gain which would influence or appear to influence the conduct of the representation.

**G. COMPETITION** – The Advisor shall:

Not solicit a party in connection with a specific financing for which the party has entered into an agreement with another financial advisor. However, an advisor may provide service to such a party if the party has initiated the request to provide advice.

*I hereby agree to abide by the NAIPFA Code of Professional Conduct and Ethics and further certify that the information submitted as a part of this application is truthful and accurate.*

\_\_\_\_\_  
(Name and Title)

As the Chief Executive Officer of: \_\_\_\_\_,  
(Name of Firm)

Date: \_\_\_\_\_,