

## Item 1 – Cover Page

BALANCED FINANCIAL PLANNING, INC.

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This brochure provides information about the qualifications and business practices of Balanced Financial Planning, Inc. If you have any questions about the contents of this brochure, please contact us at 913-677-1090 or at [info@bfplanning.com](mailto:info@bfplanning.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any State securities authority.

Additional information about Balanced Financial Planning, Inc. is available at Investment Adviser Public Disclosure website: <https://adviserinfo.sec.gov/firm/summary/128161>

## Item 2 – Material Changes

There have been no material changes since our last annual updating amendment filed March 31, 2023.

You may request a copy of this brochure by contacting Jo Ellen Fritz at 913-677-1090 and/or [info@bfplanning.com](mailto:info@bfplanning.com). This brochure is also available on our web site [www.bfplanning.com](http://www.bfplanning.com) or Investment Adviser Public Disclosures website: <https://adviserinfo.sec.gov/firm/summary/128161>

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## Item 4 – Advisory Business

Balanced Financial Planning, Inc., (referred to as “BFP”, “we”, “us”, “our”, “firm” or “advisor”) was formed as a corporation in the State of Kansas in 2004. BFP is owned by Jo Ellen Fritz, CFP® and is located in Overland Park, Kansas.

The firm provides financial planning services and investment advice to individuals and families.

As of December 31, 2018, BFP has \$84,225,158 in discretionary and \$84,225,158 in non-discretionary regulatory assets under management.

Clients have the flexibility to engage us one-time, as needed Hourly, or on an ongoing basis via our Retainer Services. Retainer Services include the ongoing investment management of assets.

**Financial Planning Services:** BFP provides hourly Financial Planning. Advice is rendered in the areas of cash flow and debt management, risk management, college funding, retirement planning, estate planning, and tax planning.

**Initial Engagement:** For the Initial Engagement, your representative first conducts an initial interview and gathers data to assist client in determining specific needs, goals, objectives, and tolerance for risk. Your representative then prepares analyses of your current financial situation and possible future scenarios, when appropriate. Next, your representative presents the analysis and a written summary of the significant observations, assumptions, and recommendations over each area that the representative was engaged to provide advice. Upon the completion of this presentation, we will schedule a follow-up meeting within 90 days and implement those recommendations authorized by the client, this type of engagement will conclude and the Client Service Agreement - Initial Engagement terminates.

We recommend periodic financial reviews, and it is the client's responsibility to initiate them. Clients requesting additional services after the Initial Engagement will be presented with a new Client Service Agreement best suited to the services the client seeks.

If client has not engaged BFP for a period of eighteen (18) months, then BFP, will no longer consider them to be an active client. If the client contacts BFP after a period of eighteen (18) months the client **may** need to submit an updated Client Questionnaire as well as any additional data needed by BFP and sign a new Client Service Agreement in order for BFP to perform the services requested by the client.

**Retainer Services:** Clients seeking Retainer Services will complete the Initial Engagement, then the Retainer Services will pick up where the Initial Engagement ends. With Retainer Services, BFP will provide ongoing investment management and quarterly reports. Retainer clients are provided access to our firm for ongoing questions via phone calls, emails and/or office meetings. Retainer clients may elect to be Discretionary or Non-Discretionary clients.

**Non-Discretionary** clients acknowledge that BFP cannot make any trades for the client without written or verbal authorization to BFP.

BFP allows clients to impose reasonable restrictions on investment management of their account(s). Reasonable restrictions, including special instructions and limitations, regarding the investment management of the account(s) must be provided in writing.

**Hourly Services:** Most clients find after the Initial Engagement that at least an annual review is beneficial for staying on track with their financial plan. Areas covered during a review are determined by the client. Typically, clients request a review of their investment portfolio semi-annually or annually and updated retirement projections on a less frequent basis. No ongoing or automatic reviews are provided by BFP under the Client Service Agreement - Hourly Engagement. It is the Client's responsibility to initiate the review by contacting BFP to schedule an appointment and provide all the necessary account statements to the representative two weeks prior to the scheduled review. Generally, client will receive a written summary report of investment recommendations at the review meeting, as appropriate. These consultations and those via phone or mail, including electronic mail (E-mail) are based on actual time.

**Estate Distribution Engagement:** Upon the death of a client, the estate of the client may engage BFP to assist in the distribution of assets held at Fidelity Institutional Brokerage Services where BFP is listed as the investment adviser of record on the accounts. Such services will include establishing accounts as needed, including but not limited to new trust account(s), inherited IRA trusts and inherited IRA accounts.

## **Item 5 – Fees and Compensation**

**Initial Engagement:** The Initial Engagement is quoted at a flat fee that is based on the time estimated to be expended on the client's behalf in providing the requested services. The billing rate for professional services is currently \$270 per hour. BFP requires a deposit for the Initial Engagement in the amount of 1/2 of the quoted flat fee for services in the Client Services Agreement - Initial Engagement. The balance of the fee is due and payable immediately upon presentation of the plan/advice at the presentation meeting. Either party may terminate the Initial Engagement upon written notice within 5 days of signing the Client Service Agreement - Initial Engagement, at which time no fees would be due and the deposit refunded in full to the client. Should client terminate the engagement after this date, client is responsible and will be invoiced for any time charges incurred by representative in the preparation of their Plan, if the invoiced amount is less than the initial deposit, the balance of the deposit will be refunded to client. The balance due over the amount of the initial deposit is payable immediately upon presentation of the invoice.

**Retainer Services:** The fees charged by BFP are established in the client's written Client Service Agreement – Retainer Engagement, based on an annual fee billed quarterly in arrears each calendar quarter. BFP's fees for retainer services are calculated based on the amount of time estimated to be expended on client's behalf in providing this service, with a typical minimum fee of twelve (12) hours annually. In BFP's sole discretion, this minimum fee may be modified. All fees are determined on a case-by-case basis. The billing rate is \$270 per hour. The fee and/or hourly billing rate is subject to change upon written notice to the client in the form of a new Client Service Agreement - Retainer Engagement 30 days in advance of the effective date for the hourly rate change. Clients may elect to pay directly via check for the quarterly fee or to authorize BFP to directly debit fees from clients

account(s). The Client Service Agreement – Retainer Engagement may be terminated at any time upon written notice to either BFP or to the Client. If the Agreement is terminated by either party all fees due at time of termination will be due and payable by the client immediately.

**Hourly Services:** The billing rate is \$270 per hour and subject to change. If the hourly rate has changed since the last time the client worked with BFP, then the client will be informed of the new hourly rate when scheduling the review and provided with a new Client Service Agreement - Hourly Engagement. Client will be invoiced upon completion of the service. Clients are invoiced for preparation, review, and meeting time. The invoice is due and payable when presented. Clients may elect to pay directly for the invoice or to authorize BFP to directly debit fees from client's investment account(s) if held at Fidelity Institutional Brokerage Services.

**Estate Distribution Engagement:** The Estate Distribution Engagement is based on time to accomplish the distribution of assets. BFP will invoice the estate monthly until the distribution of Fidelity accounts have been distributed, which will end the engagement. If the deceased client was a Retainer Services client and is survived by spouse or domestic partner **who was included on the Client Service Agreement – Retainer Engagement**, then the Estate Distribution services will be provided as part of the Retainer Engagement.

Our fees are negotiable. Additionally, BFP may, in its sole and absolute discretion, waive or reduce fees for employees, family members, members, and affiliates of BFP. As a result, BFP may offer certain clients lower fees than other clients.

**Third-Party Fees:** Clients will incur certain charges imposed by custodians, brokers, and other third parties such as fees charged by third-party money managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds, separate account managers and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus and/or Form ADV Part 2. Such charges, fees and commissions are exclusive of and in addition to BFP's fees, and BFP will not receive any portion of these commissions, fees, and costs.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

BFP does not charge performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7 – Types of Clients**

We offer advisory services to individuals and high net worth clients, their trusts, and estates. Retainer Services have a typical minimum fee of twelve (12) hours annually.

## Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

**Methods of Analysis and Investment Strategies:** Investment strategies are developed for each client based on the client's current financial situation, needs, goals, objectives, risk capacity and tolerance for risk. Asset allocation and investment recommendations are then made to, in the representative's best judgment, help clients achieve their overall financial objectives. Asset allocation is a key component of investment portfolio design. BFP believes that the appropriate allocation of assets across diverse investment categories (stock vs. bond, foreign vs. domestic, large cap vs. small cap, high quality vs. high yield, etc.) is the primary determinant of portfolio returns and critical in the long-term success of one's financial objectives. BFP employs fundamental asset allocation philosophies and approaches in their investment selection and implementation strategies. Recommendations provided are based on publicly available reports, analysis, research materials, computerized asset allocation models, and various subscription services.

**Risk of Loss:** Some of the risks associated with BFP's investment strategies, the securities and other assets utilized to implement those strategies include, but are not limited to, those listed below.

**Investing in securities involves risk of loss that clients should be prepared to bear. BFP does not guarantee the future performance of an account or any specific level of performance, the success of any investment decision or strategy that BFP may use, or the success of BFP's overall management. Clients understand that investment decisions made for the client's account by BFP are subject to various market, currency, economic, political, and business risks, and that those investment decisions will not always be profitable.**

**Concentration Risk.** To the extent a client account concentrates its investments by investing a significant portion of its assets in the securities of a single issuer, industry, sector, country or region, the overall adverse impact on the client of adverse developments in the business of such issuer, such industry or such government could be considerably greater than if they did not concentrate their investments to such an extent.

**Credit Risk.** This is the risk that a client could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.

**Exchange Traded Funds ("ETFs").** ETFs are traded on stock exchanges or on the over-the-counter market. An investment in an ETF generally presents the same primary risks as an investment in a conventional mutual fund (see above) that has the same investment objectives, strategies, and policies. The price of an ETF can fluctuate up or down, and a client account could lose money investing in an ETF if the prices of the securities owned by the ETF go down. In addition, ETFs are subject to the following risks that do not apply to conventional mutual funds:

- The market price of an ETFs shares may trade above or below their net asset value;
- An active trading market for an ETF's shares may not develop or be maintained; or
- Trading of ETFs shares may be halted if the listing exchange's officials deem such action appropriate, the shares are delisted from the exchange, or the activation of market-wide

“circuit breakers” (which are tied to large decreases in stock prices) halts stock trading generally.

**Interest Rate Risk.** This is the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.

**Investment Company Risk.** To the extent a client account invests in ETFs, mutual funds or other investment companies, its performance will be affected by the performance of those investment companies. These investments are subject to the risks of the investment companies' investments and expenses. The client account may receive distributions of taxable gains from portfolio transactions by the investment company and may recognize taxable gains from transactions in shares of that investment company, which would be taxable when distributed.

**Issuer-Specific Risk.** This is the risk that the value of an individual security or type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.

**Market Risk.** This is the risk that the value of securities owned by a client may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.

**Sector Risk.** To the extent a client account invests more heavily in particular sectors, industries, or sub-sectors of the market, its performance will be especially sensitive to developments that significantly affect those sectors, industries, or subsectors. An individual sector, industry, or sub-sector of the market may be more volatile, and may perform differently, than the broader market. The several industries that constitute a sector may all react in the same way to economic, political or regulatory events. A client account's performance could be affected if the sectors, industries, or sub-sectors do not perform as expected. Alternatively, the lack of exposure to one or more sectors or industries may adversely affect performance.

## **Item 9 – Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of BFP or the integrity of BFP's management. BFP has no information applicable to this Item.

## **Item 10 – Other Financial Industry Activities and Affiliations**

BFP and its management persons are not registered and do not have an application pending to register as a broker-dealer or registered representative of a broker-dealer. BFP and its management persons are not registered and do not have an application pending to register as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of the foregoing entities. Additionally, BFP and its management persons have no relationships or

arrangements with any related person enumerated in Item 10(C) of the Instructions to this Form ADV Part 2A.

The firm does not refer clients to other investment advisors.

## **Item 11 – Code of Ethics**

BFP has adopted a Code of Ethics (Code) for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons must acknowledge the terms of the Code annually, or as amended.

BFP anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which BFP has investment management authority to effect, and will recommend to investment advisory clients, the purchase or sale of securities in which BFP, its employees and/or clients, directly or indirectly, have a position. BFP's employees are required to follow its Code. Subject to satisfying this policy and applicable laws, officers, directors and employees may trade for their own accounts in securities which are recommended to and/or purchased for BFP's clients. The Code is designed to assure that the personal securities transactions, activities, and interests of the firm's employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of BFP's clients. In addition, the Code requires pre-clearance of certain transactions and restricts trading in close proximity to client trading activity. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is monitored under the Code, and to reasonably prevent conflicts of interest between BFP and its clients.

It is the firm's policy that it will not affect any principal or agency cross securities transactions for client accounts. BFP will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an investment adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client.

Clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Jo Ellen Fritz at 913-677-1099 or at [info@bfplanning.com](mailto:info@bfplanning.com).



## Item 12 – Brokerage Practices

BFP has an institutional relationship with Fidelity Investments' Fidelity Institutional Brokerage Services. This relationship allows BFP to provide services to those clients who would like BFP to assist them in implementing investment recommendations or providing investment management services.

BFP requires our Retainer Clients to open and/or transfer eligible brokerage and mutual fund accounts to Fidelity Institutional Brokerage Services. This makes available to our representatives, mutual funds that are available to Clients only through an institutional brokerage account such as Fidelity Institutional Brokerage Services; but are not offered through retail brokerage services or cannot be purchased at net asset value (NAV) through a retail brokerage account.

BFP does not have a formal soft dollar relationship. However, BFP may receive non-cash benefits from discount brokers recommended to clients. These non-cash benefits include electronic client statements, online access to the BFP's client accounts and might include discounts on investment research subscriptions and/or subscription discounts on back-office software, educational materials, and educational seminars/webinars. BFP always pays travel and lodging expenses associated with the attendance of any educational and/or due diligence conferences/seminars. It is our policy to accept only those benefits listed above that qualify for the safe harbor under section 28(e) of the Exchange Act as eligible research or brokerage services that directly enhance our ability to render quality advice and service to clients.

## Item 13 – Review of Accounts and Reporting

**Retainer Services:** Investment portfolios are reviewed quarterly or according to the schedule outlined in their Client Service Agreement - Retainer Engagement. Retainer clients are provided with a written Investment Performance and Portfolio Review Report and a Summary of Recommendations to be implemented. BFP requires eligible brokerage accounts to be held with Fidelity Investments Institutional Brokerage Services to facilitate investment management and performance reporting. The representative meets with Retainer client when the client requests an office meeting, phone call or video meetings. The Representative will contact Retainer clients if the representative is recommending a change in the client's investment portfolio at a time other than the scheduled quarterly review. This may be triggered by market conditions or other significant changes to an investment held in the Retainer client's portfolio which warrants action to be taken prior to the scheduled review.

All portfolio reviews are conducted jointly by Rosemary O. Danielson, CFP® and Jo Ellen Fritz, CFP® RICP®. Please see Form ADV Part 2B for more information about the CFP® credential.

**Hourly Services:** A written summary report of investment recommendations are provided when BFP is engaged to provide asset allocation and/or investment advice. **The review must be requested by the Hourly client.** BFP may periodically send reminder communications to Hourly clients to suggest contacting BFP for a review. BFP does not provide ongoing performance reporting or investment management to Hourly or Flat Fee Project clients. These clients will only receive account statements directly from mutual fund companies and/or brokerage companies in which they hold investments.

## **Item 14 – Client Referrals and Other Compensation**

BFP does not pay individuals and/or third parties for client referrals.

Professional Associations. Investment advisor representative of our firm are permitted to hold individual memberships or serve on boards or committees of professional industry associations. Generally, participation in any of these or similar entities requires membership fees to be paid, adherence to ethical guidelines and meeting experiential and education requirements.

A benefit these entities may provide to the investing public is the availability of online search tools that allow interested parties (prospective clients) to search for individual participants within a selected state or region. These passive websites may allow interested persons to contact a participant via electronic mail, telephone number, or other contact information to interview the participating member. The public may also choose to telephone association staff to inquire about an individual within their area and receive the same or similar information. A portion of these participant's membership fees may be used so that their name will be listed in some or all these entities' websites (or other listings).

The noted associations do not actively market prospective clients locating our firm or one of associates via these methods. Clients who find us in this way do not pay more for their services than clients referred to us in another fashion, such as by another client. We do not pay these entities for prospective client referrals, nor is there a fee-sharing arrangement reflective of a solicitor engagement.

BFP's representatives may provide clients with the names and contact information of other professionals such as attorneys and/or accountants as appropriate when the client seeks such recommendations. BFP and its representatives are not compensated for these referrals and such referral information is only provided at the client's request.

For a discussion of the non-cash benefits that BFP receives from its broker-dealers, see Item 12 – Brokerage Practices.

## **Item 15 – Custody**

We are deemed to have custody of a client's cash and securities to the extent that we have the authority to deduct advisory fees directly from a client's brokerage account custodied at Fidelity Investments. We do not intend to have physical possession of the cash or securities in Client accounts at any time. In general, all cash and securities owned by Clients will be held by one or more qualified custodians that are selected by Client pursuant to separate custody or other agreements.

Clients will receive account statements directly from the account's custodian (broker-dealer, bank, etc.) at least quarterly, but more likely monthly. Statements will be sent to the email or postal mailing address that the client provided to the custodian. Clients should review those statements promptly upon receipt. We also urge Retainer clients to compare the custodian's account statements to the periodic reports received from BFP. Please note these reports may vary from custodial statements

based on accounting procedures, reporting dates, or valuation methodologies of certain securities. These reports are not a replacement for the account statements described above.

## Item 16 – Investment Discretion

**Retainer Services.** When a client has signed a Client Services Agreement - Retainer Engagement - Discretionary, BFP will have discretionary authority as to the client's accounts at Fidelity. We will have authority over the types of financial instruments to be bought or sold, as well as the amount to be bought or sold on behalf of the client (without consulting them about the transaction) (subject to any restrictions and limitations set forth in writing in the account documents).

When a client signs a Client Services Agreement - Retainer Engagement - Non-Discretionary, the client understands that BFP will not make any trades for their investment accounts without the client's verbal or written authorization to do so. Retainer clients with a Non-Discretionary engagement, have agreed that BFP will not perform any trades without the client's authorization no matter what the market conditions. For these clients BFP will present investment recommendations to the client and wait for the client's authorization before implementing trades.

For clients that hire BFP pursuant to an agreement other than a Retainer Engagement, BFP will provide implementation assistance on a non-discretionary basis, only; we do not provide investment management services and do not monitor the client's account(s). This is true even if the clients' account(s) are held at Fidelity and BFP is listed as the advisor of record.

## Item 17 – Voting Client Securities

**Hourly Services.** As a matter of firm policy and practice, BFP does not have any authority to and does not vote proxies on behalf of Hourly clients. Hourly clients retain the responsibility for receiving and voting proxies for all securities maintained in Client portfolios. BFP may provide advice to clients regarding the clients' voting of proxies.

**Retainer Services.** As a matter of firm policy and practice, BFP does vote proxies on behalf of Retainer clients if the Retainer client elects to grant BFP authority to do so. Retainer clients may choose to vote proxies for their own account.

BFP will vote proxies in the best economic interest of its clients and according to its policies and procedures. BFP will retain all proxy voting records for the requisite period, including a record of each vote cast. Clients may obtain a copy of the firm's complete proxy voting policies and procedures upon request.

BFP will neither advise nor act on behalf of a Client in legal proceedings involving companies whose securities are held in the Client's account(s), including, but not limited to, the filing of "Proof of Claims" in class action settlements. If desired, clients may ask for our assistance in obtaining the necessary information for the client to file "Proof of Claims" on their own.

## **Item 18 – Financial Information**

Registered investment advisors are required in this Item to provide certain financial information or disclosures about its financial condition. BFP has no financial commitment that impairs its ability to meet its contractual and fiduciary commitments to Clients and has not been the subject of a bankruptcy proceeding.