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Your financial planner: Did your child recently marry?

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Summer is the season for weddings, tears of joy, gorgeous bridesmaids' dresses, Bob Marley tunes in Jamaica, champagne toasts and dancing the wedding night away. A wedding means getting the young adults off to a solid start.

If you have children who've recently married or are planning to do so, play parent one last time and guide them to a solid "financial planning" start. Here's a checklist of issues you'll want to help them through.

▪ For those still planning the wedding, encourage them to develop a budget by function, costs of services and materials, who pays, how much, and any debt expected to be outstanding. The young couple can use this as their first budgeting project — a good experience.

There are several templates available on the web to help build the overall budget. Wedding budget apps are available for both iPhone and Android as well, but are perhaps less robust. Both sets of parents should quantify their intended monetary contributions so the young couple can be successful. Offer to review the first draft of that budget and explain why the young couple should avoid taking on extensive debt.

▪If your young couple has already tied the knot, then walking them through budgeting — or "cash flow management" if that's a more palatable term — is one of the most valuable gifts you can give. Help them plan their first year financially, using budgeting tools to make it easy, such as Quicken or Mint. Walk through common ways to approach budgeting as a couple.

They might setup the bucket approach (his, hers, joint) where each person's paycheck goes into their own bank account and both contribute to a joint household account. They'll want to define what that latter account pays for – utilities only, or utilities, meals out, and vacations?

Another common method is the spending-limit approach where both paychecks go into the same account and are spent as needed but they're required to confer on expenditures over a set limit in advance of actual purchase.

You'll want to encourage them to have a discussion on how their incoming money is apportioned. Does each person donate all of their paycheck to a joint checking account, or only a set amount to a joint checking account, or do they donate pro-rata based on salary? Choose a budgeting project, such as saving for a house down payment, and offer to review the first draft of their budget incorporating that goal.

▪ Along with budgeting, recommend that the young couple analyze their existing student loans, credit card balances, auto loans, and any other debt. Detail due date, interest rate, balance, and additional data. Calculators, amortization tables, and debt payoff tools and apps are on the web to make quick work of this.

Review some basic principles such as paying off the highest interest rate debts first. After a loan is paid off, that extra cash can be applied to the next most costly loan. If they receive wedding gifts of cash, it might be wise to pay off their high interest rate loans.

▪ Insurance is likely a foreign topic for the young adults. Encourage them to research and work with objective insurance agents (your uncle Ned may not qualify!), to compare quotes and prices.

They'll need auto insurance coverage if they have a car, along with homeowners or renters' insurance for their house or apartment. Assist them in comparing medical insurance coverage if they have more than one employer who offers such. Even though they're young, recommend that they have coverage because of the high costs if one of them has a medical issue. Medical expenses are one of the leading causes of bankruptcy.

If both adults earn comparable salaries, it's unlikely life insurance is needed at this point. If one earns substantially more than the other, or if children are in the picture, they may want to use one of the calculators on the web (Quicken) to check if any coverage is needed.

Explain that employer life insurance is usually inexpensive but comes and goes with the job. (Consider whether their positions are stable. Are they likely to be there long?) Getting quotes on renewable, non-cancellable term insurance is also worthwhile. If the premium for your own term insurance is reasonable, it may be the better choice.

▪ Now that your progeny is married, you'll want to advise them to change beneficiaries from Mom and Dad to their new spouse on any life insurance policies, their 401k accounts at work, and other assets. Remember that $10,000 whole life policy you bought for them at their birth? Include that one too!

▪ Although a difficult topic, you'd be remiss if you did not discuss the risks of commingling parental gifts and inherited assets.

If you earlier gave Johnny $15,000 in stocks, he has that in an account in his own name. If he moves it to a joint account, that's commingling and would likely allow 50% of those funds to be given to his wife in case of divorce. If you gave your child gifts in the past which were intended for the child only, now's the time to explicitly emphasize that point, if you haven't before, and suggest the other set of parents take the same approach.

Financial planning is not for the feint of heart; sometimes words need to be said. It's the young adults' decision, but commingling assets in a marriage might be better considered 1-10 years later. Not everything needs to be decided now.

▪ Finally, ask them to define some goals. What do they want to achieve after the first year, in three years, in five? Do they want to save a down payment on a $200,000 house? Or save enough for one person to work part-time when they have a child in three years? Suggest they add action steps to those near-term goals, and start thinking about how to reach the long-term milestones.

Remember when you moved into your first house and one day you suddenly desperately needed to find a “main water shutoff”? Financial planning is the same foreign world to your young adult. Play parent one last time and help them through.

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