



CMA

*IMA's Certification for
Accountants and
Financial Professionals
in Business*

CMA Handbook

Your Guide to Information
and Requirements
for CMA Certification

Welcome to the CMA Program!

The Institute of Management Accountants is dedicated to excellence within the management accounting profession. The Certified Management Accountant (CMA[®]) designation was developed in 1972 to provide an objective measure of an individual's knowledge and competence in the field of management accounting. Only the CMA program recognizes the unique proficiencies required for success in this challenging profession.

The Institute of Certified Management Accountants (ICMA[®]) regularly reviews the content of the Certified Management Accountant (CMA[®]) exam to ensure that current topics are appropriately updated and relevant to business practice. Connectivity of a practical Body of Knowledge to the workplace is important. The CMA exam aligns with the knowledge, skills and abilities that an accountant or finance professional in business uses on the job today – **financial planning, analysis, control, and decision support**. These skills are critical to the success of finance teams.

The CMA program has been designed to meet the evolving needs of business – today and tomorrow. We look forward to helping you achieve excellence as a professional. Certification will confirm your proficiency in your chosen field and your dedication to personal and professional growth.

If you have any questions, please contact us at:

1-800-638-4427 or 201-573-9000

Fax: 201-474-1606

E-mail: IMA@imanet.org

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By Institute of Certified Management Accountants

Introduction

The purpose of this handbook is to provide information on the requirements for CMA certification, including registration procedures, scheduling exams, and the examination process itself. The handbook also includes an overview of the CMA exam content and IMA's Statement of Ethical Professional Practice. Candidates should familiarize themselves with the information in this handbook. As the information in this handbook is subject to change we urge candidates to consult it regularly.

Board of Regents and Staff

The Board of Regents of the Institute of Certified Management Accountants (ICMA[®]) has overall responsibility for evaluating and validating CMA applicants' credentials; developing, administering, and grading the CMA examinations; and administering the continuing education requirements for participants. The Board consists of between twelve and fifteen Regents who are appointed to serve three-year terms. Members of the Board are practitioners and educators in the field of management accounting and financial management.

The ICMA was created for the purpose of developing and administering the CMA program. The ICMA staff consists of several CMAs and administrative personnel who are responsible for implementing the overall responsibilities of the Board of Regents.

Eligibility Criteria

To be eligible for CMA certification, you must fulfill all of the following requirements:

1. Membership in the Institute of Management Accountants
2. Paying the Entrance Fee
3. Satisfying the Education Qualification
4. Satisfying the Experience Qualification
5. Passing scores for all required examination parts
6. Compliance with the IMA Statement of Ethical Professional Practice

IMA Membership

You must be a member of IMA to be eligible for the CMA program.

Entrance Fee

The Entrance Fee for the certification program must be paid before taking the examinations. Candidates must complete the CMA program **within three years from entry into the program**. Candidates also must register for an **exam part within the first 12 months of entering the program**. If a candidate does not register for an exam part within the first 12 months of entering the program, they will have to **REPAY** the entrance fee. If both exam parts are not successfully completed within three years of entering the certification program, the passed part will expire and the entrance fee will have to be repaid.

The Entrance Fee also includes:

1. Six month's access to the CMA Support Package consisting of sample questions and answers and the CMA Assessment Tool.
2. Performance feedback reports for the multiple choice questions
3. Review of educational and experience credentials
4. Electronic access to the CMA Resource Guide
5. Access to peer-to-peer networking
6. Final score report upon completion of the exams
7. Personalized, numbered certificate upon completion of all requirements
8. Employer notification of achievement if desired

The Entrance fee is \$225 for Domestic/International Members. The Entrance fee for Student/Academic Members (Members U.S., Canada, or Mexico) is \$75.

When the six-month subscription period has expired on the CMA Support Package you can receive six months' access to the package again for a fee of \$25. Please send an email to CMACFM@imanet.org to receive instructions.

Education Qualification

Bachelors Degree, in any area, from an accredited college or University. A listing of International and US institutions accepted without evaluation is available at:

<http://univ.cc/world.php>

Degrees not from accredited institutions must be evaluated by an independent agency listed at www.aice-eval.org or www.naces.org. All transcripts must be submitted in English. You should have the college or university forward an official copy of your transcripts to us at the below address. Where that is not possible you may mail us a notarized copy.

ICMA - Transcript
10 Paragon Drive Suite 1
Montvale, NJ 07645

Experience Qualification

Candidates for the CMA Certification must complete two continuous years of professional experience in management accounting and/or financial management. This requirement may be completed prior to or within seven years of passing the examination. Teachers can meet this requirement if the majority of their course load is in accounting and corporate financial management courses above the introductory level. Professional experience is expected to be gained in full-time employment.

However, continuous part-time positions of 20 hours per week meeting the definition of qualified experience will count toward this requirement at a rate of one year of experience for every two years of part-time employment.

Qualifying experience consists of positions requiring judgments regularly made employing the principles of management accounting and financial management. Such employment includes financial analysis, budget preparation, management information systems analysis, financial management, management accounting, and auditing in government, finance or industry; management consulting; auditing in public accounting; research, teaching or consulting related to management accounting or financial management. Employment requiring the occasional application of management accounting principles such as in computer operations, sales and marketing, manufacturing, engineering, personnel, and general management will not satisfy this requirement. Similarly, internships and trainee, clerical, or non-technical positions do not provide appropriate experience to fulfill this requirement.

CMA Examinations

The CMA program is rigorous and relevant. The two-part testing format requires a mastery of the critical skills and knowledge involved in planning, analysis, control and decision support.

Examination Parts Required

Candidates for CMA certification must complete two examination parts:

Part 1: **Financial Planning, Performance and Control** (4 hours – 100 multiple-choice questions and two 30-minute essay questions)

Part 2:

Financial Decision Making (4 hours – 100 multiple-choice questions and two 30-minute essay questions)

The Content Specification Overview:

Part 1 – Financial Planning, Performance and Control (Levels A, B, and C) Planning, Budgeting and Forecasting (30%) Performance Management (25%) Cost Management (25%) Internal Controls (15%) Professional Ethics (5%)

Part 2 – Financial Decision Making (Levels A, B, and C) Financial Statement Analysis (25%) Corporate Finance (25%) Decision Analysis and Risk Management (25%) Investment Decisions (20%) Professional Ethics (5%)

On each part of the exam, there will be 100 multiple choice questions and two 30-minute essay questions. You will have 3 hours to complete the multiple choice section and one hour to complete the essays. The essays will be presented after you have completed the multiple choice section of the exam or after 3 hours, whichever comes first. Once you complete and exit the multiple choice section of the exam, **you cannot go back**. You must remain in the essay section to complete the exam. **Note:** *You MUST answer at least 50% of the multiple-choice questions correctly to be eligible to take the essay section.*

You will not receive immediate pass/fail results because the essay questions will be graded off-line. The scores for the multiple choice section will be added to the scores of the essay section for a total weighted score of pass/fail reflected in a scaled score for the entire part. Candidates are not required to “pass” both sections; the total score determines pass/fail status. Exam results will be mailed approximately six weeks from the end of the month in which you tested; ICMA will mail your exam results to you. Results for the Transition Exam will be mailed approximately six weeks after the close of the testing window. At the time grades are mailed, results are also available online in your Account Profile transcript. Requests for scores via e-mail or telephone cannot be honored.

****Please NOTE:** You cannot take an exam part more than one time during a testing window.

Examination Administration

The CMA examination is given in a computer-based format.

The exams are offered at an extensive network of Prometric Testing Centers located throughout the U.S. and Internationally. In the U.S. the exams are offered daily during the testing months except Sundays and Holidays. Internationally, exam centers are available according to local customs. An up-to-date listing of all Prometric Testing Centers can be found at Prometric’s website www.prometric.com/ICMA.

Parts 1 and 2 will be given during the following three testing window periods:

January and February
May and June
September and October

If a candidate registers to test during a specific testing window and fails to take the exam, the candidate must register again and pay the **FULL** registration fee.

Registering for an Exam

You can enroll in the CMA program beginning December 1, 2009.

You can register for an exam by:

1. Calling 800-638-4427, please have your credit card available
2. Filling an on-line registration form
3. Mailing a registration form with credit card information
4. A check payable in U.S. funds. Our mailing address is 10 Paragon Dr., Montvale, NJ 07645
5. Faxing a registration form to 201-474-1600 with credit card information

Note: You must be a member of IMA and have paid the entrance fee to register for a CMA exam part.

You should file the registration form approximately six weeks before you wish to take an exam as this will allow sufficient time for you to receive your authorization letter and schedule a convenient appointment at a Prometric Testing Center.

Registration for Parts 1 and 2 received on or after February 16th, June 16th, or October 16th will be authorized for the next testing window; registrations received prior to these dates will be authorized for the current testing window.

Scheduling an Appointment for an Exam

Once you have received authorization from ICMA, it is your responsibility to schedule your appointment at a Prometric Testing Center within the stated time period. Log onto www.prometric.com/ICMA to locate a testing center, schedule, confirm, reschedule, or cancel your appointment 24 hours, 7 days a week. Instructions are provided by ICMA at the time your authorization letter is emailed that provides further options for scheduling. You should make an appointment at your earliest convenience as **ICMA is not responsible if you delay scheduling and there are no longer appointments available within your authorization period.** Please be aware that appointments fill quickly and ICMA recommends that you schedule your appointment at least four weeks prior to your desired appointment date. You will be given a confirmation number at the time you schedule an appointment; you should make a note of this number.

If you do not schedule an appointment in the selected testing window, you will forfeit your exam fee.

Cancellation/Rescheduling of an Appointment

If you find that you are unable to keep a scheduled appointment at a Prometric Testing Center, you must cancel no later than **72 hours before the appointment.** To cancel an appointment, have your confirmation number ready and visit www.prometric.com/ICMA. If you do not comply with this cancellation policy, you will be considered a “no-show” and you will need to reregister with ICMA and repay the examination fee.

Examination Fees

The exam registration fee will be **\$350 per part**. If a candidate registers for both parts at the **same time for the same testing window**, the fee will be **\$300 per part**.

Student/Academic Member Exam fee (U.S., Canada, or Mexico) are entitled to a per part 50% discount on the exam fee. Student/Academic members will pay **\$175 per part** or **\$150 per part** if they register for both parts at the **same time for the same testing window**.

Refund Policy

The entrance fee is **NOT Refundable**. After 30 days from the date of registration, examination fees are NOT Refundable. Within 30 days of the registration date an examination fee may be refunded **if no test appointment has been set**. A \$25 processing fee will be subtracted from the refund.

ADA Compliance

The Institute of Certified Management Accountants and Prometric Testing Centers are fully compliant with the Americans with Disabilities Act (ADA). Applicants planning to take the examinations who have special needs as covered by the ADA should notify the ICMA at least two months before they plan to take the exams.

Candidate Confidentiality

The ICMA makes every effort to maintain candidate confidentiality. Individual score information is not released to third parties without written authorization from the candidate. Candidate participation in the program is also kept confidential except where it is considered to be beneficial to the candidate, e.g., mailing lists of CMA review course providers. A listing of recently certified individuals is published monthly on our web site, and a complete listing of all CMAs in good standing is available on the web site for employer verification of status.

Examinee Conduct

All candidates are required to sign a statement agreeing not to disclose the contents of the examinations nor remove examination materials from the testing room. All candidates are also required to attest to the authenticity of their credentials and the accuracy of all statements made in their application.

Cheating will not be tolerated, and all instances of suspected cheating will be fully investigated. Examinees who are caught cheating will have their grades invalidated and will be disqualified from future examinations. Cheating includes, but is not limited to, the following; copying answers from another candidate during the exam, using unauthorized materials during the exam, helping another candidate during the exam, removing exam materials from the testing room, divulging exam questions, and/or falsifying credentials.

For those already certified by the ICMA, failure to comply with the non-disclosure policy or the subsequent discovery of cheating will be considered a violation of the IMA Statement of Ethical Professional Practice and could result in revocation of the certificate.

Rights & Responsibilities of CMA

The maintenance of your certification is contingent upon fulfillment of the following obligations:

Continuing Education - To keep their certificate in good standing, CMAs must complete at least 30 hours of continuing professional education each year after completion of the CMA examination. The 30 hours must include at least two hours on Ethics.

Standards of Ethical Conduct - CMAs must comply with *IMA's Statement of Ethical Professional Practice*

Annual Fee - CMAs are required to maintain membership in the IMA and pay the annual CMA Maintenance Fee.

State Law Compliance - CMAs are required to comply with all applicable state laws concerning the offering of accounting services to the general public.

General Instructions for Exam Taking

1. You should arrive at the Prometric Testing Center **30 minutes** before the time of your appointment. If you are more than 15 minutes late for your scheduled appointment, you may lose your scheduled sitting and be required to reschedule at a later date and purchase a new registration.
2. You will be required to sign the Prometric Log Book when you enter the center.

Identification Requirements

For admission to a Prometric Test Site, you must present proof of your identify. Only the following are acceptable forms of valid identification:

1. A VALID (non-expired) Passport for admittance to exam
OR
2. Two original forms of non-expired identification, one with a photograph, both with your signature. Acceptable forms of ID include a drivers' license, military ID, credit card or bank debit card with photo and signature, bank debit card with signature, or company ID
OR
3. A Government-issued National country ID Card with a photograph (with or without a signature), and another acceptable valid form of ID with a signature as defined in #2 above

Student IDs and social security cards **are not acceptable.**

You will NOT be permitted into the examination without proper identification. If you are not granted access to the exam, you will be required to register again for the exam and pay the full fee. Without the above listed identification- you will not be able to test.

Performance Report

Performance Reports for Parts 1 and 2 are sent via postal mail only to candidates who fail an exam part. Performance reports are mailed approximately 14 days after exam results are posted to the candidates' transcript. Performance reports show the candidates performance as satisfactory, marginal or unsatisfactory for each of the 5 key topic areas from the multiple choice section of the exam as well as the overall performance on the essay section of the exam.

Performance reports are not provided for the Transition Exam.

Miscellaneous Information

Small lockers are available at the test centers for personal belongings. Items such as purses, briefcases, and jackets will not be allowed in the testing room. Small battery or solar powered electronic calculators restricted to a maximum of six functions – addition, subtraction, multiplications, division, square root, and percentage are allowed. The calculator must not be programmable and must not use any type of tape. Candidates can also use the Texas Instrument's BA II Plus, OR the Hewlett-Packard 10BII calculators when taking the exams. Candidates will not be allowed to use calculators that do not comply with these restrictions. Candidates will receive ONE scratch paper booklet initially during their examination. However, if you require more sheets during the exam in order to complete calculations, you should raise your hand and ask the test center personnel for ONE additional booklet. Candidates are able to keep one used booklet in case they need to refer back to previous calculations. Candidates will be permitted to trade in ONE or TWO used booklets for ONE or TWO new booklets. Candidates are only permitted to have TWO booklets at any given time. The test center personnel will collect and destroy ALL booklets from each candidate at the end of their testing session. The test center will provide pencils for use in making calculations, etc., on the provided scratch paper booklet(s). At the beginning of your test administration, you will be given the opportunity to take a tutorial that introduces the testing screens; the tutorial is not part of your testing time and may be repeated if the candidate wishes, however, total tutorial time is limited.

Examination Awards

Candidates for the CMA are eligible for examination awards based on the total score of parts 1 and 2. To qualify for an award, you must (1) pass each of the two parts on the first attempt, and (2) complete both parts within two months (January/February, May/June, or September/October). The awards available are described below.

1. Johnson & Johnson sponsors the Gold, Silver, and Bronze Medals. They are awarded to the candidates achieving the top scores on the CMA examination.
2. A Student Performance Award is presented to the college student earning the highest scores on the CMA examinations.
3. The ICMA Board of Regents presents Certificates of Distinguished Performance to other candidates attaining superior scores.

Candidate Resources

The CMA Resource Guide, explains the test-taking process and the types of questions on the exam. It also includes an annotated content specification with references to relevant textbooks, as well as sample questions. As one of the benefits of joining the CMA program, you will receive free electronic access to this Guide. This resource is not considered sufficient for complete exam preparation. For a suggested reading list and a listing of self-study material published by independent vendors visit our website.

LinkUp IMA, is IMA's online social network exclusively for IMA members. Within the community you will be able to join groups based on topic areas, industries, Chapters & Councils, CMA Study Groups, or start your own group based on your area of interest. Each group's section offers its members the opportunity to post announcements and local events, participate in a forum and access a shared workspace for members to use as they wish. All members can share ideas in the LinkUp Forums section, visit IMA's Job Connections page, or view IMA's national and international Events calendar. Plus, IMA's searchable Library includes a variety of IMA resources and those added by members.

Continuing Education Requirement

Upon completion of all parts of the CMA exam, you will be required to complete 30 hours of continuing education annually, 2 hours of which must be in the area of Ethics. Reporting of continuing education is done in conjunction with the annual recertification invoice. Credit will be given for subjects relevant to a management accountant's or financial manager's career development and related to employer needs. The ICMA grants credit for programs sponsored by education organizations, employers, business organizations, and professional and trade associations. Programs may be in the form of college courses, seminars, workshops, technical meetings, self-study packages, or on-line courses. Further details can be found at www.imanet.org.

CMA CURRICULUM AND FORMAT
CONTENT SPECIFICATION OVERVIEW
(Effective May 1, 2010)

The percentages below show the relative weight range given to each topic in each part. The level designations indicate the depth and breadth of topic coverage in each part. A detailed content specification outline can be downloaded from our website in the certification section.

Part 1
Financial Planning, Performance and Control

A. Planning, Budgeting and Forecasting

(30%) (Level C) Planning process; budgeting concepts; annual profit plans and supporting schedules; types of budgets, including activity-based budgeting, project budgeting, flexible budgeting; top-level planning and analysis; and forecasting, including quantitative methods such regression analysis and learning curves.

B. Performance Management

(25%) (Level C) Factors to be analyzed for control and performance evaluation including revenues, costs, profits, and investment in assets; variance analysis based on flexible budgets and standard costs; responsibility accounting for revenue, cost, contribution and profit centers; and balanced scorecard.

C. Cost Management

(25%) (Level C) Cost concepts, flows and terminology; alternative cost objectives; cost measurement concepts; cost accumulation systems including job order costing, process costing, and activity-based costing; overhead cost allocation; operational efficiency and business process performance topics such as JIT, MRP, theory of constraints, value chain analysis, benchmarking, ABM, and continuous improvement.

D. Internal Controls

(15%) (Level C) Risk assessment; internal control environment, procedures, and standards; responsibility and authority for internal auditing; types of audits; and assessing the adequacy of the accounting information system controls.

E. Professional Ethics

(5%) (Level C) Ethical considerations for management accounting professionals

Part 2

Financial Decision Making

A. Financial Statement Analysis

(25%) (Level C) Principal financial statements and their purposes; limitations of financial statement information; interpretation and analysis of financial statements including ratio analysis and comparative analysis; market value vs. book value; fair value accounting; international issues; major differences between IFRS and U.S. GAAP; off-balance sheet financing; Cash Flow Statement preparation, analysis, and reconciliation; and earnings quality.

B. Corporate Finance

(25%) (Level C) Types of risk; measures of risk; portfolio management; options and futures; capital instruments for long-term financing; dividend policy; factors influencing the optimum capital structure; cost of capital; raising capital; managing and financing working capital; mergers and acquisitions; and international finance.

C. Decision Analysis and Risk Management

(25%) (Level C) Relevant data concepts; cost-volume-profit analysis; marginal analysis; make vs. buy decisions; pricing; income tax implications for operational decision analysis; operational risk, hazard risk, financial risk, and strategic risk; and ERM.

D. Investment Decision

(20%) (Level C) Cash flow estimates; discounted cash flow concepts; net present value; internal rate of return; non-discounting analysis techniques; income tax implications for investment decisions; ranking investment projects; risk analysis; real options; and valuation models.

E. Professional Ethics

(5%) (Level C) Ethical considerations for the organization

IMA STATEMENT OF ETHICAL PROFESSIONAL PRACTICE

Members of IMA shall behave ethically. A commitment to ethical professional practice includes overarching principles that express our values, and standards that guide our conduct.

PRINCIPLES

IMA's overarching ethical principles include: Honesty, Fairness, Objectivity, and Responsibility. Members shall act in accordance with these principles and shall encourage others within their organizations to adhere to them.

STANDARDS

A member's failure to comply with the following standards may result in disciplinary action.

I. COMPETENCE

Each member has a responsibility to:

1. Maintain an appropriate level of professional expertise by continually developing knowledge and skills.
2. Perform professional duties in accordance with relevant laws, regulations, and technical standards.
3. Provide decision support information and recommendations that are accurate, clear, concise, and timely.
4. Recognize and communicate professional limitations or other constraints that would preclude responsible judgment or successful performance of an activity.

II. CONFIDENTIALITY

Each member has a responsibility to:

1. Keep information confidential except when disclosure is authorized or legally required.
2. Inform all relevant parties regarding appropriate use of confidential information. Monitor subordinates' activities to ensure compliance.
3. Refrain from using confidential information for unethical or illegal advantage.

III. INTEGRITY

Each member has a responsibility to:

1. Mitigate actual conflicts of interest. Regularly communicate with business associates to avoid apparent conflicts of interest. Advise all parties of any potential conflicts.
2. Refrain from engaging in any conduct that would prejudice carrying out duties ethically.
3. Abstain from engaging in or supporting any activity that might discredit the profession.

IV. CREDIBILITY

Each member has a responsibility to:

1. Communicate information fairly and objectively.
2. Disclose all relevant information that could reasonably be expected to influence an intended user's understanding of the reports, analyses, or recommendations.
3. Disclose delays or deficiencies in information, timeliness, processing, or internal controls in conformance with organization policy and/or applicable law.

RESOLUTION OF ETHICAL CONFLICT

In applying the Standards of Ethical Professional Practice, you may encounter problems identifying unethical behavior or resolving an ethical conflict. When faced with ethical issues, you should follow your organization's established policies on the resolution of such conflict. If these policies do not resolve the ethical conflict, you should consider the following courses of action:

1. Discuss the issue with your immediate supervisor except when it appears that the supervisor is involved. In that case, present the issue to the next level. If you cannot achieve a satisfactory resolution, submit the issue to the next management level. If your immediate superior is the chief executive officer or equivalent, the acceptable reviewing authority may be a group such as the audit committee, executive committee, board of directors, board of trustees, or owners. Contact with levels above the immediate superior should be initiated only with your superior's knowledge, assuming he or she is not involved. Communication of such problems to authorities or individuals not employed or engaged by the organization is not considered appropriate, unless you believe there is a clear violation of the law.
2. Clarify relevant ethical issues by initiating a confidential discussion with an IMA Ethics Counselor or other impartial advisor to obtain a better understanding of possible courses of action.
3. Consult your own attorney as to legal obligations and rights concerning the ethical conflict.