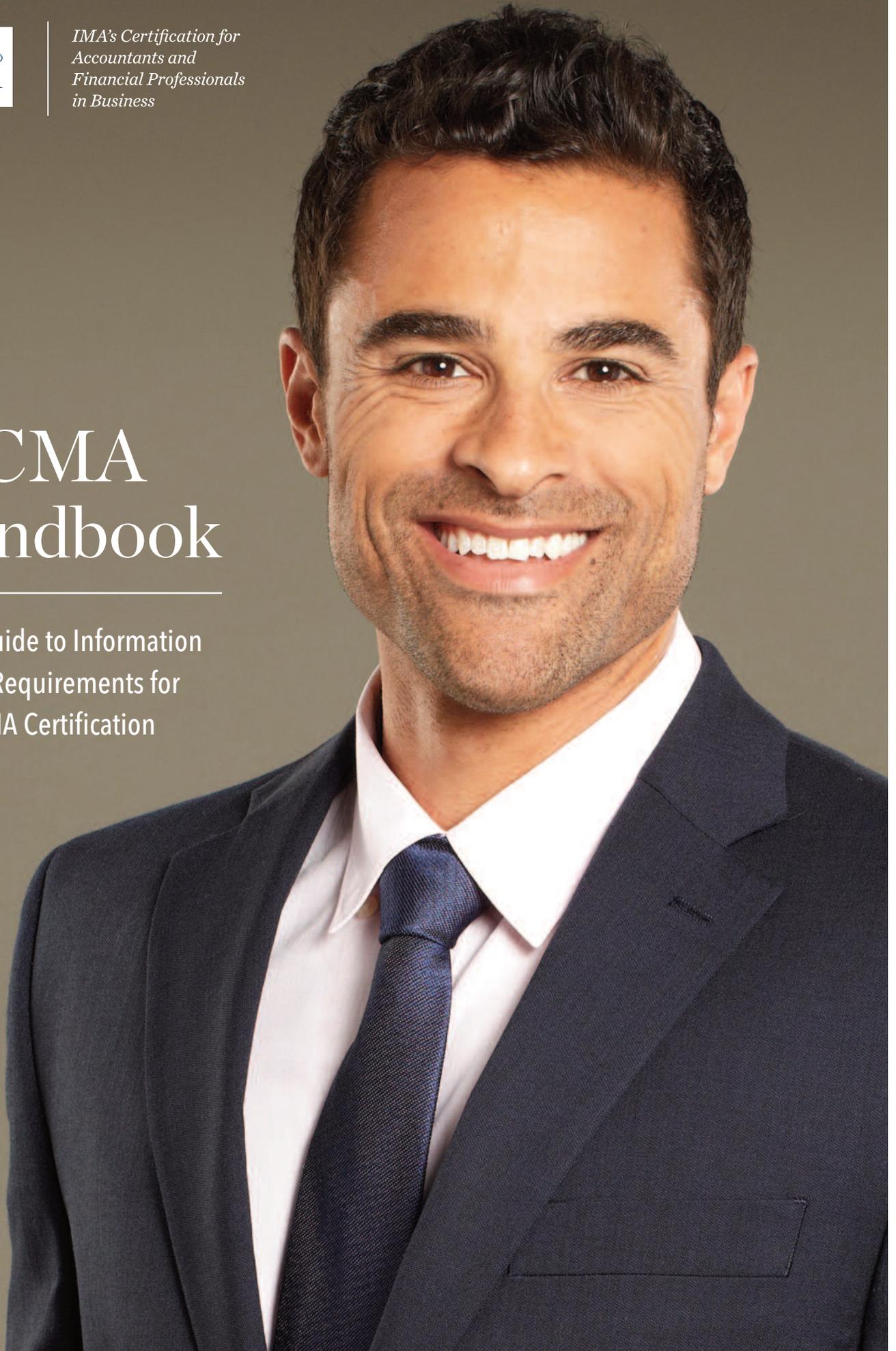




*IMA's Certification for
Accountants and
Financial Professionals
in Business*

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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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 fifteen and eighteen 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. Active membership in the Institute of Management Accountants
2. Pay the CMA Entrance Fee
3. Satisfy the Education Qualification
4. Satisfy the Experience Qualification
5. Complete all required examination parts
6. Comply with the IMA Statement of Ethical Professional Practice

CMA Entrance Fee

The CMA entrance fee for the certification program must be paid before taking the examinations. Candidates must complete the CMA program within three years from the date of entry into the program. Candidates must also 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 from the date of entry into the program, they will have to repay the CMA entrance fee. If both exam parts are not successfully completed within three years of entering the certification program, any passed part will expire and the CMA entrance fee will have to be repaid.

The CMA Entrance Fee includes:

1. Six month's access to the CMA Support Package beginning on the date of entry into the CMA program.*
2. Performance feedback reports.
3. Review of educational and experience credentials
4. Electronic access to the CMA Resource Guide
5. Final score report upon completion of the exams
6. Personalized, numbered certificate upon completion of all requirements
7. Employer notification of achievement if desired
8. Maintenance of a listing of all CMAs in good standing on the IMA website for employer verification of status.

*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 minimal fee. Please note, the exam support package is not sufficient to prepare and should be supplemented with a formal plan of study.

Education Qualification

A Bachelor's or advanced degree, from an accredited college or university is required. A listing of accredited International and US institutions is available at:

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

Degree's from institutions not appearing on this list must be evaluated by an independent agency. A listing of these agencies' can be found at www.aice-eval.org or <http://www.naces.org/members.htm>.

All transcripts must be submitted in English. You should have the college or university forward an official copy of your transcripts to the address below. Where that is not possible you may mail us a notarized copy. Please include your IMA member number with these documents.

ACCA fully qualified members automatically meet the CMA Bachelor's degree educational requirement. An official letter from ACCA confirming you are a qualified member should be mailed by the ACCA directly to the address below.

Transcripts or ACCA qualified membership confirmation be mailed to:

Attn: Amy Leuc
ICMA
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 at least 60% of their course load is in accounting and corporate financial management courses above the principles 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:

- Preparation of financial statements
- Financial planning & analysis
- Monthly, quarterly, and year end close
- Auditing (external or internal)
- Budget preparation & reporting
- Manage general ledger and balance sheets
- Forecasting
- Company investment decision making
- Costing analysis
- Risk evaluation

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. Internships and trainee, clerical, or non-technical positions do not provide appropriate experience to fulfill this requirement.

CMA Examination

Candidates for CMA certification must complete all required 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)

Each exam part will consist of 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 posted to your online profile approximately six weeks from the end of the month in which you tested.

Performance Report

Performance Reports are sent via email to candidates who fail an exam part. Performance reports are emailed approximately 14 days after exam results are posted to the candidates' profile. 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.

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

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

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.

Examination Administration

The CMA examination is given in a computer-based format, and is offered at Prometric Testing Centers located throughout the world. 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 are offered during the following three testing windows.

January/February

May/June

September/October

You can register for an exam:

1. On-line at the online store.
2. Calling 800-638-4427, or (201) 573-9000 with your credit card information.

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. 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. ICMA is not responsible if you delay scheduling and there are no longer appointments available within your authorization period. 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 or you don't appear for a scheduled appointment in the selected testing window, you will forfeit your exam fee.

Reschedule or Cancellation of a Scheduled Appointment

If you reschedule or cancel an appointment within 30 days of your appointment date you will be required to pay a rescheduling fee to Prometric. Appointments cannot be rescheduled or cancelled within 72 hours of your scheduled appointment. Appointments cannot be rescheduled to another testing window.

To cancel or reschedule your appointment, please have your confirmation number ready and visit www.prometric.com/ICMA or call 800-479-6370 and select option 1 to be directed to the automated system. International candidates can visit Prometric web site or call the Regional Registration Contact Center. Both options are available 24 hours, 7 days a week. If you do not comply with the cancellation policy, you will be considered a "no show" and you will need to re-register with the ICMA and repay the examination fee.

You must sit for the exam during the testing window for which you purchased an authorization we do not move authorization to another testing window.

Refund Policy

The CMA entrance fee is not refundable.

The examination fee is refundable within 30 days from the time you registered if no appointment has been set. A processing fee will be subtracted from the refund.

Identification Requirements

For admission to a Prometric Test Site, you must present proof of your identify. The name on your ID must match exactly with the name on your authorization letter. Following are the only acceptable forms of valid identification.

1. Valid, signed, non-expired Government-issued passport.
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.

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.

Calculator Policy

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, Hewlett-Packard 10BII, HP 12c, OR HP 12c Platinum calculators when taking the exams. Candidates will not be allowed to use calculators that do not comply with these restrictions.

The Day of the Exam

- 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 will lose your scheduled sitting and be required to re-register at an additional cost.
- You will be required to sign the Prometric Log Book and provide a fingerprint
- Bring valid forms of Identification.
- Bring an approved calculator.

You may be scanned prior to each entry into the test room to ensure you do not have any prohibited electronic devices. If you decline to be scanned the test center administrator will be required to submit a report to Prometric and the ICMA.

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.

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 complete listing of all CMAs in good standing is available on the web site for employer verification of status.

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. Applicants are reminded that modifications, accommodations, auxiliary aids and/or services (“accommodations”) can only be offered if they do not “fundamentally alter the measurement of the skills or knowledge the examination is intended to test.”

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. The ICMA Board of Regents sponsors the Gold, Silver, and Bronze Medals. They are awarded to the candidates achieving the top scores on the CMA examination.
2. The Priscilla S. Payne 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.

Continuing Education Requirement

Once you have completed the CMA exam but have not yet been awarded the certificate, you are required to meet the continuing education requirements and maintain membership in the IMA. Certificates will be awarded when the experience requirement is satisfied. At that time continuing education and IMA membership must be current.

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: [CPE&Rules Requirements](#)

Rights & Responsibilities of CMA

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

Continuing Education - To keep your certificate in good standing, CMAs must complete 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. For detail information regarding the CPE requirements & rules can be found at: [CPE&Rules Requirements](#)

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.

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

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.