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The  
Rights &  
Responsibilities  
of a

**C**ertified  
**M**anagement  
**A**ccountant

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## **Certified Management Accountant – CMA**

- ◆ The CMA is a professional accountant who has demonstrated, through examination and experience, the knowledge, judgment, and skills required to earn this designation. The CMA is entitled to use this designation in accordance with the rights and privileges granted by the Institute of Certified Management Accountants (ICMA). These rights and privileges do not permit offering accounting services to the public unless approved by the appropriate state board of accountancy.
  - ◆ Actively involved in the process of management, the CMA contributes to strategic, tactical, and operating decisions and helps coordinate the efforts of the whole organization. As part of management, the CMA utilizes financial expertise and broad business competence to help assure the organization's successful operation in the long, intermediate, and short term.
  - ◆ The CMA understands management accounting as that part of the management process that is focused on adding value to the organization through the effective use of resources. The management accountant is a strategic partner utilizing financial information to improve the quality of business decisions.
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## **Rights and Privileges of the CMA**

In recognition of the professional knowledge, judgment, and skills in management accounting that a CMA has demonstrated, the ICMA grants CMAs the right to represent that they:

- Possess special knowledge, skills, and judgment in management accounting and have the required competence, integrity, credibility, and understanding of the need for confidentiality.
- Understand the management process as well as the technical accounting knowledge needed to contribute to the success of an organization.
- Have the knowledge and ability to assist management and to be part of management, particularly where financial and accounting matters are concerned.
- Continue to improve their professional knowledge.
- Comply with *IMA's Statement of Ethical Professional Practice*.
- Are Certified Management Accountants and can use the designation on business cards, letterheads, and in other professional ways so long as it does not violate state legislation.

The CMA designation is a voluntary professional certification and identifies individuals who possess the knowledge, judgment, and skills of the professional management accountant. The CMA designation does not give an accountant professional standing to offer accounting services to the general public unless permitted to do so by state laws governing the practice of public accounting.

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## Requirements Met by the CMA

The ICMA grants the CMA certification to those individuals who meet the standards set by the ICMA Board of Regents. These standards include:

- Educational achievement,
- Compliance with *IMA's Statement of Ethical Professional Practice*,
- Successful completion of the CMA examination,
- Management accounting experience, and
- Membership in the Institute of Management Accountants (IMA).

## Responsibilities of the CMA

The right to use the CMA certification, once it has been granted, is predicated on meeting the continuing obligations of the professional management accountant established by the ICMA. These responsibilities include:

**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.

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

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***Failure to fulfill these requirements will result in the following:***

**Inactive Status.** If the CMA fails to meet the annual fee and continuing education obligations, they will be classified as Inactive. An Inactive CMA is not considered a CMA until the delinquency is removed, and cannot use the CMA designation.

Inactive status begins one year after the CMA has not met the required hours of continuing education. If the CMA does not meet the calendar year 30-hour requirement, there is a one-year grace period. The CMA would be required to report 60 cumulative hours of acceptable continuing education by the end of the next calendar year; i.e., 30 hours for the current calendar year plus the shortfall from the previous calendar year. If the shortfall is not made up, the CMA will become inactive and will be required to complete 60 hours of continuing education in one calendar year to return to active status.

A CMA also becomes inactive for nonpayment of IMA dues. To return to good standing, the CMA must pay the current dues. Until the delinquency is removed, the CMA will not be in good standing and will not be considered a CMA.

**Sanctions for Violation of the Standards.** A CMA who has been found by the Board of Regents and the IMA Ethics Committee to have violated *IMA's Statement of Ethical Professional Practice* will be subject to sanctions. The sanctions can range from a warning to permanent revocation of the certificate. The sanctions will be levied only after investigation of the charges of an alleged violation and after the CMA has an opportunity to refute the charges.

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## *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.
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## **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.
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## 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.
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## **IMA Ethics Helpline**

The IMA offers its members a unique benefit. This service provides an opportunity to discuss ethical or potential ethical problems on an anonymous basis with an experienced ethics counselor. The Ethics Helpline is available by calling **800-245-1383** or by sending an e-mail to **[ethics@imanet.org](mailto:ethics@imanet.org)**.

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**CMA** CERTIFIED  
MANAGEMENT  
ACCOUNTANT  
*Professionals Driving Business Performance™*

**IMA** INSTITUTE OF  
MANAGEMENT  
ACCOUNTANTS  
*Advancing the Profession™*

The Institute of Management Accountants (IMA) is the leading professional organization devoted exclusively to management accounting and financial management. The IMA has 67,000 members, including 265 national and international chapters. The IMA provides members with career support and professional development through education programs, certifications, networking and leadership opportunities. More information about the IMA can be found at [www.imanet.org](http://www.imanet.org).

Institute of Certified Management Accountants  
10 Paragon Drive • Montvale, NJ 07645-1759  
1-800-638-4427 • 201-573-9000  
Fax: 201-474-1606 • e-mail: [ima@imanet.org](mailto:ima@imanet.org)  
[www.imanet.org](http://www.imanet.org)