

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.

As you read through this material, you will learn more about our CMA program. Visit our website at www.imanet.org/certification for additional resources such as:

- Webinar: "Navigating Through the CMA Program"
- Webinar: "How the CMA Can Boost Your Career Development"
- Online Examination Registration Form
- Detailed Outline of Examination Content
- Examination Locations
- Self-Study Programs
- Suggested Reading List
- Candidate Discussion Groups
- Frequently Asked Questions

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: cmacfm@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.

Board of Regents and Staff

The Board of Regents of the Institute of Certified Management Accountants (IMCA) 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 (or a waiver) 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. For membership information and an on-line application, visit www.imanet.org.

Entrance Fee

There is a one-time [Entrance Fee](#) for the certification program that must be paid before taking the examinations. This fee covers the following: review of educational and experience credentials, electronic access to the CMA Resource Guide, access to peer-to-peer networking, final score report upon completion of the exams, a personalized, numbered certificate, employer notification of achievement if desired, and maintenance of continuing education records. This fee can be paid when joining IMA or when registering for your first exam part.

Education Qualification

To be certified as a CMA, candidates must fulfill the education requirement using the following criteria. Verification of **one** of the following must be presented to complete the education requirement:

- Bachelors Degree, in any area, from an accredited college or university. A partial listing of international institutions accepted without evaluation is available at www.imanet.org. Degrees not from accredited foreign institutions must be evaluated by an independent agency listed www.naces.org. All transcripts must be submitted in English and show the official seal of the college or university,

or

- Score in the 50th percentile or higher on either the Graduate Management Admission Test (GMAT) or the Graduate Record Examination (GRE),

or

- Professional qualification comparable to the CPA, CMA, or CFM.

Experience Qualification

Candidates for the CMA Certificate 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 examination program is a certification test. The primary purpose of certification tests is to establish and maintain a standard of professional competence within a profession, with the ultimate aim of protecting the public. The requirements of the CMA program have been established to recognize those who can demonstrate that they possess a sufficient degree of knowledge and skills in the areas of management accounting and financial management. In this way, the ICMA helps identify practitioners who have met certain predetermined professional standards.

Like most occupational certification tests, the CMA exams are examples of criterion-referenced tests. A criterion-referenced test is one in which a candidate's performance is compared to a predetermined standard or passing score. In criterion-referenced testing, the interpretation of an examinee's score does not depend on the performance of other examinees. Pass or fail status is instead determined by comparing the individual candidate's score with the passing or "cut" score. If a score at or above the cut score is achieved, the examinee passes the test; if a score is below the cut score, the examinee fails the test.

Examination Parts Required

Candidates for CMA certification must complete four examination parts:

Part 1 – Business Analysis (3 hours)

Part 2 – Management Accounting and Reporting (4 hours)

Part 3 – Strategic Management (3 hours)

Part 4 – Business Applications (3 hours)

Please note that you must complete the first 3 exams before registering for Part 4. An overview of the examination parts is on pages 10 -11. A detailed Content Specification is available on our website at www.imanet.org/certification.

Exam Characteristics and Construction

The exams for Parts 1 and 3 consist of 110 multiple-choice questions, and the Part 2 exam consists of 140 multiple-choice questions, which are often referred to as items. The items that comprise the exam part you will be taking are randomly selected from a large database of items. The Part 4 exam is a written-response exam consisting of 4-7 essays/problems. Your particular test is referred to as a “form” and has been selected in accordance with present instructions to provide adequate coverage of all topics and cognitive levels. The principles that are used in the construction and administration of the exams are discussed below.

Validity: Refers to the appropriateness, meaningfulness, and usefulness of a test score. The objective of test validation is to ensure that the test measures what it is intended to measure. The CMA exams are content-valid tests of accounting and financial knowledge, meaning that the content of the exam reflects the tasks, knowledge, skills, and abilities associated with the profession. Such information is obtained through a job analysis, which is a systematic study of the duties and requirements of a profession.

To maintain validity in the examination process, the CMA exams are constructed according to a precise plan or “blueprint” so that the various topic areas included in the exams are not over- or under-emphasized. The test forms are constructed to be parallel, which means that the number of items appearing in each major content area is exactly the same from form to form. In this way, the exams contain the same content balance, thereby maintaining the same test conditions for all candidates, regardless of when they actually take the test.

Reliability: Refers to the degree of consistency, dependability, or accuracy of a test score. The more reliable the test, the less error is due to chance in the test scores. Reliability for the CMA exams is computed through a number of standard statistical measures. To maximize reliability, analysis and improvement of test questions are continuously carried out.

Waiver for Part 1

Recognizing that successful completion of the U.S. CPA and other comparable designations demonstrates a candidate’s knowledge and competence in the basic tools of business analysis, the ICMA Board of Regents will grant such candidates credit for Part 1 of the CMA examination. To qualify for this waiver, the ICMA needs direct verification from the issuing organization. The candidate is responsible for requesting that this verification be sent directly to ICMA. In addition, the candidate must pay the waiver fee. (A list of acceptable designations as well as a fee schedule can be found at www.imanet.org).

Examination Administration

The CMA examination is given in a computer-based format. Parts 1, 2, and 3 examinations are 100% objective and consist of carefully constructed multiple-choice questions that test all levels of cognitive skills. Part 4 of the CMA examination consists of business-oriented essays and problems. Both written and quantitative responses are required. All topics in the content specification can be tested in this capstone exam. Certain additional topic

areas including organization management, behavior, and ethics, are tested *exclusively* in this fourth examination part.

The exams for Parts 1, 2, and 3 are offered daily at an extensive network of Prometric Testing Centers located throughout the U.S. and internationally. In the U.S. the exams are offered daily 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. For parts 1, 2, and 3, you will receive a score report before leaving the testing center.

The Part 4 exam is offered only during the months of February, May, August, and November. Results for part 4 are mailed approximately six weeks after the end of the testing period.

Registering for an Exam

You can register for an exam by:

- Calling 800-638-4427. Have your credit card available.
- Filling out an on-line registration at www.imanet.org/certification using a credit card.
- Mailing a registration form with credit card information or a check payable in U.S. funds. Our mailing address is 10 Paragon Dr., Montvale, NJ 07645.
- Faxing a registration form to 201-474-1600 with credit card information.

Note: You must be a member of IMA to be eligible for the CMA program. For membership information, visit www.imanet.org.

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. For parts 1, 2, and 3, you will be assigned a 120-day authorization period in which to take your exam. This authorization period will begin shortly after your registration is recorded by ICMA.

You must have passed Parts 1, 2, and 3 before you can register for Part 4, Business Applications. Part 4 can be taken only during the second month of each calendar quarter, i.e., February, May, August, and November. When you register for Part 4, your authorization period will be the next available testing month. This exam can be taken only once during any testing month.

You may register for one part at a time or you may register for multiple parts. You will be required to take all the multiple-choice parts that you register for within the same 120-day authorization period. Therefore, if you wish to schedule your exam preparation over several months, you should register separately for each part of the exam in accordance with your study plans.

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 mailed that provide 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 Saturdays fill quickly and you may not be able to get a Saturday appointment. You will be given a confirmation number at the time you schedule an appointment; you should make a note of this number.

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 **three business days before the appointment**.^{*} To cancel an appointment, have your confirmation number ready and visit www.prometric.com/ICMA. Once you have cancelled an appointment, you must wait 72 hours before calling to reschedule. 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.

***International Candidates:** Cancellation must be made **five business days prior to your appointment**.

Examination Fees

To view a list of current fees, please visit the website at www.imanet.org and click on the Certification section.

- **Students** There is a reduced examination fee program to encourage students attending accredited U.S., Canadian, and Mexican universities to take the exams. Eligible students may take four examination parts at a discount of 50% from the regular fee. **These discounts must be used within the year following application or they will be forfeited.** To qualify for the student discount, you must apply to the ICMA while enrolled in school, be enrolled for at least six credit hours in the current term, and provide the name of an individual who can verify your student status. Eligible students are also exempt from the Credentialing fee.
- **Faculty** Full-time faculty members teaching at accredited U.S., Canadian, and Mexican universities are permitted to take the exam one time at no charge. To qualify, faculty must submit a letter on school stationery affirming their full-time status. For any examination parts that must be retaken, the fee is 50% of the regular part fee.

ICMA Policies

Exam Retake Policy

Exam retakes are permitted but cannot exceed three times over a 12-month period for a particular exam part. Part 4 of the revised exam may be taken once during each 30 day window up to four times in a 12 month period. All exam retakes require a new registration along with payment of the appropriate fees.

Time Period Extensions

Upon written request, ICMA will consider limited time period extensions of the authorization period. For a processing fee of \$30, ICMA can grant a one-time 60-day extensions for Parts 1, 2, and 3. For a processing fee of \$50, ICMA can grant a one-time extension to the next monthly testing window for Part 4.

Retaining Exam Credits

Certification candidates have four years to complete all four parts of the CMA. The time period begins with the first passed exam part. If all four parts are not successfully completed within four years, the parts that were passed more than four years ago will expire.

Credit Policy

- In general, fees paid to the ICMA are not refundable. The Entrance Fee and the Waiver Fee are not eligible for refund or credit.
- If you request to withdraw from an examination within 30 days of registration, you may receive a non-refundable credit for the examination fee less a \$25 processing charge. This credit may be used against a future transaction for a period of six months.
- If you do not take an examination within the authorized time period (and did not miss a scheduled appointment), you will receive a non-refundable credit for 50% of your exam fee that is good for six months and can be applied to future registrations. Students and faculty who registered at a discounted fee will receive no credit; however, the discounts will be restored for future use.
- If you miss a scheduled appointment at a Prometric Testing Center, you will be withdrawn from the examination part and receive no credit or refund and student/academic discounts will be forfeited.

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 for CMA review course providers. A listing of recently certified individuals is published monthly on our website, and a complete listing of all CMAs in good standing is available on the website 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 Statement of Ethical Professional Practice and could result in revocation of the certificate.

Rights & Responsibilities of a CMA

Upon completion of all requirements, a numbered CMA certificate is issued. The maintenance of your certificate is contingent upon fulfillment of the following obligations: (1) completion of required continuing professional education, (2) compliance with the *Statement of Ethical Professional Practice*, and (3) active membership in the IMA. Your certificate is the property of the ICMA and must be returned upon request.

General Procedures and Information

General Instructions for Exam Taking

- 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 appointment and be required to reschedule at a later date at an additional cost.
- You will be required to sign the Prometric Log Book when you enter the center.
- For admission to the examination, you must present **two** forms of non-expired identification, one with a photograph, both with your signature. Approved photo IDs are a passport, driver's license, military ID, credit card with photo, or company ID. Student IDs are **not** acceptable. You will **not** be permitted into the examination without proper identification.
- 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, multiplication, division, square root, and percent - are allowed. The calculator must be non-programmable and must not use any type of tape. Candidates will **not** be allowed to use calculators that do not comply with these restrictions.
- Candidates will be provided with scrap paper which will be counted by the test center personnel when given to candidates and will also be counted when collected from candidates. Pencils are provided by the testing center.
- The staff at the Prometric Testing Center is not involved in the development of the examination or the procedures governing the evaluation of your performance. Questions or comments on the examination content or performance evaluation should be directed only to the ICMA.
- 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; however, total tutorial time is limited to 15 minutes.
- You will have three hours to complete parts 1, 3, and 4 of the examination, and four hours to complete part 2. Your time remaining will be displayed on the screen.

Grading

Upon completion of parts 1, 2 and 3, your performance results will be displayed on the screen, and you will also receive a printed and embossed copy of your results before leaving the testing center. The results are expressed as a pass/fail grade along with a scaled score. Scaled scores range from 200 to 700, with the passing score set at 500. The raw scores, or number of items correct, are transformed to this scale for the purpose of maintaining uniformity and consistency. All pass/fail scores are final.

The grading of Part 4, Business Applications, is not automated and will be done offline by subject matter experts. Grades will be mailed to candidates approximately six weeks after the end of each testing period. All pass/fail scores are final. In addition, all tests are the property of the ICMA and will not be returned to candidates.

Detail of Performance Report

If you do not pass parts 1, 2, or 3, you will automatically receive a Detail of Performance report several weeks after your exam. The report is provided at no additional cost and shows your performance by each major topic area on the exam. Candidates who pass an exam part are not provided with this report.

Advanced Performance Report

For an additional fee, candidates who do not pass a part of the exam can receive an Advanced Exam Performance Report, which shows performance at a more detailed level. This report allows you to focus on your weakest areas and make the best use of your scarce study time. These reports are prepared for failed parts only. This report can be ordered at www.imanet.org/certification.

Examination Awards

Candidates for the CMA are eligible for examination awards based on the total score for all four parts. Those who exercise the option of waiving Part 1 are not eligible to compete for the CMA awards. To qualify for an award, you must (1) pass each of the four parts on the first attempt, and (2) complete all four parts within six months. The awards available are described below.

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

Certification E-mail Exchange

There is an e-mail exchange available to all certification candidates. The purpose of this e-mail exchange is to help candidates prepare for the exams by providing a forum to ask questions and motivate each other to take and pass the exams. As a "virtual study group" candidates can encourage each other to study and schedule their exams; they can form local study groups; and ask for help with topics on the exam. Discussion about actual exam questions is prohibited, but an open discussion of the topics covered on the content specification outline is encouraged.

Other Candidate Resources

The CMA Resource Guide, which was prepared by the ICMA, 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.

Continuing Education Requirement

Upon completion of all four parts of the CMA exam, you will be required to complete 30 hours of continuing education annually. Reporting of continuing education is done in conjunction with the annual renewal of IMA membership. 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.

CONTENT SPECIFICATION OVERVIEW

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 **Business Analysis**

A. Business Economics

(25%) (Level B)

Factors affecting the individual firm including demand, supply, and elasticity; consumption of goods; production factors and their cost; market structures and pricing; issues in macroeconomics such as inflation, employment, and economic growth; GDP; the nature of business cycles; fiscal and monetary policies.

B. Global Business

(20%) (Level B)

Comparative advantages of trade; free trade and protectionism; barriers to international trade; nature and theory of foreign exchange; international capital investments; financing international trade; legal and ethical issues.

C. Internal Controls

(15%) (Level A)

Internal control environment, procedures, and standards; responsibility and authority for internal auditing; types of audits; assessing the adequacy of the accounting information system.

D. Quantitative Methods

(15%) (Level B)

Quantitative methods and techniques including regression analysis, learning curves, linear programming, sensitivity analysis, network analysis, probability concepts, expected values, decision trees, simulation, and other appropriate aids to decision making.

E. Financial Statement Analysis

(25%) (Level B)

Development of accounting standards; financial statement assurance; interpretation and analysis of financial statements including ratio analysis and comparative analysis; limitations of ratio analysis; market value vs. book value; international issues.

Part 2 **Management Accounting and Reporting**

A. Budget Preparation

(15%) (Level C)

Planning process, purposes of planning and budgeting; budgeting concepts; annual profit plans and supporting schedules; types of budgets, including activity-based budgeting, kaizen budgeting, project budgeting, and flexible budgeting.

B. 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.

C. Information Management

(15%)(Level A)

Nature of management and accounting information systems; systems development and design; techniques and terminology applicable to the development of computer-based accounting information systems; networks and client/server systems; electronic commerce; ERP systems.

D. Performance Measurement

(20%) (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; balanced scorecard; quality considerations.

E. External Financial Reporting

(25%) (Level B)

Principal financial statements and their purposes; limitations of financial statement information; asset and liability recognition and measurement; equity recognition and measurement; revenue, expenses, extraordinary items, and earnings per share; the SEC and its reporting requirements; the annual report.

Part 3 **Strategic Management**

A. Strategic Planning

(15%) (Level B)

Strategic and tactical planning; manufacturing paradigms such as JIT, MRP, and theory of constraints; value chain analysis; benchmarking; ABM and continuous improvement.

B. Strategic Marketing

(15%) (Level A)

Strategic role of marketing; market segmentation; managing products and services; pricing strategies; promotional mix and distribution strategy.

C. Corporate Finance

(25%) (Level B)

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; and managing and financing working capital.

D. Decision Analysis

(25%) (Level C)

Logical steps to reach a decision; relevant data concepts; cost-volume-profit analysis; marginal analysis; cost-based pricing; income tax implications for operational decision analysis.

E. Investment Decision Analysis

(20%) (Level C)

Cash flow estimates; time value of money; discounted cash flow concepts; net present value; internal rate of return; non-discounting analysis techniques; income tax implications for investment decision analysis; ranking investment projects; risk analysis; real options.

Part 4 **Business Applications**

(Level C)

All topics from parts 1, 2, and 3, plus organization management, organization communication, behavioral issues, and ethical considerations.

A detailed content spec is available from the ICMA or it can be downloaded from on our website www.imanet.org/certification.

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.