BUILD YOUR PROFESSIONAL SUCCESS

CFMA’s
STUDY GUIDE
FOR THE CCIFP® EXAM
2017-18
ABOUT CFMA

FOUNDED IN 1981, the Construction Financial Management Association (CFMA) is the only organization dedicated to providing construction financial professionals with unparalleled career development and networking opportunities. Along with publishing the award-winning CFMA Building Profits, CFMA offers educational, professional, and connection programs through its more than 97 chapters, Annual Conference & Exhibition, and online learning to 7,800 members across North America. CFMA members are CFOs, controllers, treasurers, and financial managers working for construction contractors in general, specialty trade, and heavy/highway sectors, as well as those professionals who serve them, such as accountants, surety agents, bankers, lawyers, and IT specialists.

FOR MORE INFORMATION: www.cfma.org

ACKNOWLEDGEMENTS

WE APPRECIATE THE DEDICATION of the following CFMA members who volunteered to contribute to the professional development of their associates. They supplied the construction financial management expertise needed to develop this new and improved study guide.

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ABOUT THIS STUDY GUIDE

The purpose of this study guide is to help CCIFP candidates gain a better understanding of the material on which you will be tested. This guide provides some direction for the topics covered on the Certified Construction Industry Financial Professional (CCIFP) exam offered by the Institute of Certified Construction Industry Financial Professionals (ICCIFP). The suggested materials and activities provided are intended to assist in your preparation, and should not be taken as the definitive and/or exclusive compilation of the resources used in the development of the official exam.

USING THIS GUIDE YOU WILL BE ABLE TO:

• IDENTIFY the broad categories that are contained within the “Body of Knowledge” that is of primary importance to the Certified Construction Industry Financial Professional (CCIFP).

• SELF-ASSESS your proficiency in the eight industry domains so you can target your study efforts in those critical areas in order to deepen your understanding of what a CCIFP should know.

• HIGHLIGHT and know where to search for more information about some of the most important topics and concepts that would be particularly relevant to the CCIFP.

• DEVELOP confidence in earning your credentials by focusing your study efforts, employing the tools and tips provided, working with flash cards and responding to relevant multiple-choice questions on a practice exam.

HOW THIS GUIDE WAS DEVELOPED

The study references and resources included in this guide were selected by a diverse group of professionals with expertise in the field of construction financial management (see Acknowledgements). While all are considered to be respected resources for learning about construction financial management, there are many other resources not included in this guide that may be of equal value. If you are familiar with resources that cover similar construction related financial management content, you may succeed by studying those familiar resources as well. In fact, you should avoid relying exclusively on any one resource as you prepare to take the exam. And we’d be interested to learn of those resources. You can provide that information via the Evaluation Form link at the end of this study guide.

KEEP IN MIND:

The best way to learn the material that is tested on the exam is through work experience in the field of construction financial management. In fact, you must meet certain work experience requirements in order to qualify to take the exam. For a complete list of requirements see the Exam Eligibility page on the ICCIFP website. Simply studying the references cited in this guide does not guarantee that you will pass the exam. Following these directions will give you a solid and comprehensive knowledge base in the unique discipline of construction financial management.
YOUR RESPONSIBILITY

Every field of knowledge changes over time. Although the resources listed in this study guide are of high quality, they may contain some information that may be (or may become) out of date therefore recent developments in the field of construction financial management may not be included. You are responsible for keeping up to date on significant developments in your field and CFMA® is here to help you do so with Hot Topic webinars, online courses, conferences and Chapter activities.

Note: All tips, tools, recommendations, and activities are suggestions only – intended to help you gather, learn and reinforce some of the content that is covered under the eight CFM industry domains. There is enough activity variety to appeal to various learner styles and are all considered optional. The content of this guide is based on research from a pool of CCIFPs and CCIFP candidates who generously shared their study and test-taking experiences with us to help you. Like most things, you will get out of it, what you put into it. Good Luck!

HOW TO USE THIS GUIDE

1.) Look through the entire guide to see what is being offered.
2.) Determine your CCIFP eligibility.
3.) Take the Self-Assessment to identify gaps.
4.) Develop your personal study plan, emphasizing those critical areas identified, and incorporate study activities and groups, if possible.
5.) Follow through – implement your plan.
6.) Apply and sit for the exam.
7.) Let us know how it went.
8.) Continue developing your professional edge.

Links are included so that you can view, access resources and tools, and in some cases, order specific reference materials online.

NOTE: When accessing Web-based content, it is best to close out of it before returning to the study guide, rather than using the “Back” arrow. This will allow you to return to your place in the guide without confusion.
CCIFP CERTIFICATION

The Certified Construction Industry Financial Professional (CCIFP®) designation is the only accounting certification for construction financial professionals accredited by the American National Standards Institute (ANSI) under ISO 17024:2012. The ICCIFP provides the construction industry with a third-party verification of an individual’s knowledge - essential to ethical financial management in the construction industry’s complex environment.

BENEFITS OF THE CCIFP DESIGNATION:

• **DEMONSTRATES** commitment to excellence in construction industry financial management, and dedication to continuing education and quality improvement

• **ESTABLISHES** our profession as having, valuing and maintaining the highest possible standards of knowledge, competence and ethical behavior – as high as any other profession on which business and the public rely

• **SETS OUR PROFESSION APART** as one with its own unique skill set and body of knowledge, a level of attainment over and above that of financial generalists

• **PROMOTES** the spread of best practices throughout financial managers within the construction industry

• **BETTER PREPARES** both firms and individuals for meeting the challenges ahead as information moves more quickly and construction industry financial management becomes more complex

• **GIVES CERTIFIED PERSONS A POWERFUL PROFESSIONAL EDGE** in an increasingly competitive industry and marketplace

ELIGIBILITY

Before you can sit for the exam to become a CCIFP you must meet requirements in these areas:

a. Formal Education
b. Professional Experience
c. Verification of Work Experience

We urge you to visit the [Institute of Certified Construction Industry Financial Professionals website](#) for general Candidate information including the “Am I Certifiable” Presentation. There you will find detailed information about Eligibility requirements and the Code of Ethics. Look under the Candidates and Exam tabs for exact information about the Fee, Application, Preparation, Testing Procedure, etc.

EDUCATION - Bachelors - Degree from accredited college or university; or Substitute four years’ full-time professional experience; and

INDUSTRY EXPERIENCE - Minimum of 4,000 hours professional experience in the last three to five years within a construction company or firm that services the construction industry; and

AFFIRMATION OF CODE OF ETHICS - Must adhere to ICCIFP’s Code now and in the future;

PASS THE EXAM - Successful completion of the examination.
CCIFP PROFICIENCY SELF-ASSESSMENT

The purpose of this Self-Assessment is to help you identify your strengths and those areas needing improvement. Determining your level of proficiency in the various Construction Financial Management industry domains will enable you to identify those areas in which you would benefit from more support. This is GOLDEN information. Once you identify those areas, you can spend extra study time on those topics. Use this information to help you focus your exam preparation efforts, i.e., incorporate findings into your study plan.

Note: While the exam will focus on a breadth of knowledge, certain industry domains are weighted more heavily than others. You can view the weightings below.

![Weighted Pie Chart]

Based on your self-assessed proficiency and the exam weightings, create a study plan:
- CONSIDER the exam weighting for each domain.
- CONTEMPLATE how it might influence your preparations?
- SPEND MORE TIME on those knowledge areas for which you have less proficiency.

This assessment covers all the Construction Financial Management domains and some of the associated knowledge areas. For each area, assess your level of knowledge using rating scale below:

4 = Experienced & Highly Skilled (an Authority on the subject)
3 = Proficient (Competent & Confident)
2 = Some Knowledge & Skill (Not Confident &/or Not Competent)
1 = Little to No Knowledge (Novice)

If you are not confident in your level of knowledge in a particular area, consider giving yourself a lower score as a starting point. Upon completion of the assessment, you will be able to see areas where you indicated that you have greater proficiency compared to those areas where you can or need to build competence.

(Total scores not necessary.)
## Domain and Knowledge Areas

as they relate to the Construction Industry

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<th>Little to No Knowledge &amp;/or Experience</th>
<th>Some Knowledge &amp;/or Experience 2</th>
<th>Adequate Skills &amp; Knowledge 3</th>
<th>Advanced Experience, Skill &amp; Knowledge 4</th>
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<td>Accounting standards &amp; guidelines</td>
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<td>Provisions for Anticipated Losses on Contracts</td>
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<td>Financial Statements</td>
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<td><strong>Budgeting &amp; Planning</strong> – 11%</td>
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<td>Strategic cost management</td>
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<td><strong>Human Resources</strong> – 6%</td>
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<td>Compensation</td>
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<td>Employee benefit plans</td>
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<td>Accounting/finance department administration</td>
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<td><strong>Income Recognition Methods</strong> – 20%</td>
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<td>Financial reporting</td>
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<td>Percentage-of-completion accounting method</td>
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<td>Accounting for the effects of change in estimates</td>
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<td>Completed contract accounting method</td>
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<td><strong>Information Technology</strong> – 3%</td>
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<td>Applications for construction management</td>
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<td><strong>Legal</strong> – 11%</td>
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<td>Preparation &amp; review of contracts</td>
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<td>Applicable Laws</td>
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<td><strong>Risk Management</strong> – 14%</td>
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<td>Risk management responsibilities</td>
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<td>Construction ~related insurance</td>
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<td>Surety</td>
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<td><strong>Taxes</strong> – 5%</td>
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<td>Accounting methods unique to the construction industry</td>
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<td>Tax filing</td>
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STUDYING FOR THE EXAM

STUDY ACTIVITIES

The following activities are intended to help you deepen your understanding of the information you need to know, moving you from basic recall, to application, to evaluation and synthesis. Most activities can be adjusted to be completed on your own, with a study partner or a study group.


1. APPLICATION CARDS - Identify examples or illustrations that embody the concept and demonstrate ways you will utilize the information. Identify a concept or principle you are studying. Write one concept or principle on each card. Ask yourself and/or others to come up with 1-3 applications of that principle from their everyday work experience. This is helpful to increase understanding of complex concepts and/or principles you may not apply often.

2. MIND MAPS - Draw it. Create tables, diagrams, or pictures to represent and organize the concepts. Mind Maps, or Concept Maps are diagrams showing connections between a focal topic and other related concepts. The main concept is in the center with connections drawn to other concepts above, below, to the side. (See diagram.) Next, explore and add in related principles, conditions, actions, and/or standards that come to mind. Share with a partner or group, discuss &/or explain the map. Partners can also fill in any (intentionally) missing concepts. “Maps” can serve as a different view of your study notes, as well as reinforcement for what you know and identifying connections and what might be missing.

TIP: Using post-it notes makes moving information around the map easy.
3. **USE YOUR RESOURCES:** “The Book” and AICPA’s guide (See LINKS to both resources in upcoming section: Critical Texts.) Look at every single chapter! Go over each chapter’s Table of Contents, use it as a guide for all that you need to know. AND then, dive deeper into the content—especially on topics that you aren’t as proficient in or find more challenging (See below: #9 – Outline). Be sure to review all glossaries, appendices, examples, etc.

4. **DYNAMIC LIST OF QUESTIONS** - Write a list of questions that you hope to have answered before you sit for the exam. Pay particular attention to those points or principles that are the most difficult, or unclear for you. Determine if the information is “need to know” or “nice to know”. Prioritize your questions. Search for answers, in reference materials, e.g., “The Book”, your colleagues, and CFMA support. Cross off questions as they are answered and add questions as new ones arise. Review your list for a snapshot of what you’ve learned and what questions are still unanswered. Deepen your knowledge and build your professional network.

5. **FLASHCARDS** – Making your own solidifies your learning. Great Study Group activity. We encourage you to share flashcards with other candidates. Use the ones included with this Study Guide. See accompanying “Flashcard” file with instructions to use study sets already loaded in Quizlet.com.

6. **MUDDY WATERS** – Identify what is unclear or not fully understood and get answers. If studying alone, post a question in the Connection Café, CFMA’s online professional community. For groups, present what you do know and where it gets “muddy”, open it up to the group to clarify. Discuss until clear.

7. **TOUGH TEACHER** – Select the topic or area that is toughest for you, e.g., newer concept, little experience, complicated, etc. Prepare a mini-presentation on the topic and deliver it. Learning is enhanced by prep work and teaching experience. Explaining it out loud and in your own words aids comprehension and memory.

8. **QUESTION QUEST** – In a study group, each person takes a chapter and writes 6-10 questions that they will pose to the others in the groups. The question writer learns as they do research to write the question as well as the respondents.

9. **OUTLINE** – Follow these instructions to Create an Outline. See accompanying “Outline” file of each domain and/or Chapter in “The Book”. This is an effective solo exercise as well as an effective and enjoyable partner or group activity. Or create summary sheets: Ask yourself, “What are the most critical principles and concepts about each major topic? What are the important subtopics? What do I need to know? Why is it important?”

**NOTE:** Use the upcoming example as a guide. Create your own by expanding and/or drilling down as you see fit. The idea is that you cover the most important concepts related to the key topics of all eight industry domains. Suggestion: Rule of Three, i.e., identify the three most important concepts for each topic; then three principles for each concept; then three keypoints under each principle (where appropriate), and so on.
EXAMPLE OF AN OUTLINE:

I. The early Byzantine empire
   A. The later Roman empire and Byzantium
      A.1. Fifth century, eastern half of empire remained intact while west crumbled
      A.2. Challenges: Sasanids and Germans
      A.3. Highly centralized state
         A.3.a. Emperor with aura of divinity--Caesaropapism
         A.3.b. Large and complex bureaucracy
   B. Justinian (527-565 C.E.) and his legacy; Theodora (empress)
      B.1. Rebuilt Constantinople, including Hagia Sophia
      B.2. Codified Roman law Corpus iuris civilis (The Body of the Civil Law)
      B.3. Sent Belisarius to reconquer the western Roman empire (didn’t last)
   C. Islamic conquests and Byzantine revival
      C.1. The emergence of the Islamic state, seventh century
         C.1.a. Arab peoples conquered the Sasanid empire and part of Byzantium
         C.1.b. Prolonged sieges of Constantinople by Islamic armies
         C.1.c. Byzantium survived partly because of Greek fire
      C.2. Byzantine society reorganized
         C.2.a. Provinces (themes) under generals
         C.2.b. Armies of free peasants helped agricultural economy
   D. Byzantium and western Europe: ecclesiastical and political tensions

II. Byzantine economy and society
   A. Rural economy and society
      A.1. Large agricultural base to support cities
      A.2. Economic strength: large class of free peasants

STUDY TIPS
An organized study program can help you prepare for the CCIFP exam. We’ve laid out a 40-hour program that could be completed in as little as eight weeks (40 hours). However, you will have the greatest success if you go at a pace and in a fashion that is reasonable for you. We encourage you to spend more time on those domain areas that you identified as needing more attention. Here are many TIPS to enhance your study efforts.

GET STARTED TODAY – waiting until you feel like studying won’t help you.

SET REGULAR TIMES FOR STUDYING. Commit to those time frames. Prioritize.

ALLOW APPROXIMATELY 40 HOURS for studying between now and taking the exam.

SPECIFY TOPICS &/or goals for each study session. See accompanying Study Plan files. Use it to monitor your progress.

HAVE A STUDY “BUDDY” or group to which you make commitments.

REGISTER FOR, or order the archives of, the CCIFP Overview Seminar:
Revisit the content via the recorded online presentation.
Review the Participant’s Guide. Study its contents.
Download MP3 and listen to it repeatedly (while working out, driving, etc.).
STUDY! Review the glossary; practice the sample exam; go over your notes, etc. Don’t let procrastination kill your chance of success.

STUDY WHEN YOU ARE ALERT and able to focus your attention on the material.

PICK A CONDUCIVE STUDY ENVIRONMENT, avoiding distractions and turning off e-mail and text notifications, cell phones, TVs, PCs, etc.

BE YOUR OWN “BOSS”: be self-aware and do not allow yourself to get distracted, and if it happens get back on track.

STAY HEALTHY AND WELL-RESTED. Manage your stress and/or anxiety level with stretching, breathing exercises and/or calming music.

CREATE MNEMONIC DEVICES, such as acrostics, rhymes or acronyms, to help you remember information.

MAKE IT A POINT TO REVIEW all chapter appendices, hand-outs, references.

START EARLY. Take breaks as needed. Study daily if at all possible.

DIVERSIFY YOUR STUDY TECHNIQUES (group work, ask questions, read, take notes, listen to relevant recordings, color code content, use flash cards, see Study Activities).

REWARD YOURSELF APPROPRIATELY, e.g., 10 minutes of funny pet videos or Candy Crush.

TALK TO YOUR ASSOCIATES about the topics you are studying. Read professional articles related to your study material to help you further understand and apply the concepts. Link new information to information you already know.

DOWNLOAD THE MP3 FILES from related CFMA Online Courses; listen to recordings while you work-out, drive, fold laundry, prepare dinner, etc.

CHEW GUM! Studies have shown that chewing gum while studying or taking the test, helps you to retain more information in both short and long term memory. Plus it could reduce stress and increase alertness.

EAT! Before studying or taking the test, eat a decent meal – do not overeat! A satisfied stomach will help your brain focus on the content rather than how hungry you are.

DRINK! Stay hydrated – besides your brain is mostly water. Of course you don’t want to float away having to go to the bathroom every 20 minutes. Caution: A little caffeine can go a long way. If you normally don’t drink it – don’t start now. It can cause you to be nervous, anxious and unable to focus – the exact opposite of what you wanted.
STUDY GROUPS

BENEFITS:
Studying with others helps you personalize and interact with the material. This is harder to do independently. Working in a group helps you figure out what you know and what you don’t know further assisting you in targeting your study efforts.

OBJECTIVE:
The purpose of the study group is to support candidates preparing for the CCIFP Exam by helping one another establish and organize their understanding of key financial management concepts as they relate to the construction industry.

FORM OR JOIN A GROUP:
Solicit participants from your local Chapter, through the CFMA Café Connection, coworkers, or from classes you have or are taking. Use Technology, e.g., Google Hangouts, GoTo Meeting, WebEx, Conference calling, blogs, etc.

PARTICIPANT ACCOUNTABILITY:
Make the commitment.
- Put group and self-study time on your calendar.
- Be firm but fair about absences.

Participate.
- “Come” to group prepared. Complete assignments before meeting.
- Take on a role as leader, scribe, etc.

GROUP ACCOUNTABILITY:
Have a group structure, e.g., rotating roles such as:
- Leader sets the agenda, confirms topic and/or determines study activities, e.g., mini-presentations, Q&A, etc.
- Note Taker as needed to record assignments, follow up items, etc.
- Weekly Presenter makes mini-presentation on predetermined topic (domain for week, or “Tough Teacher”).
- Coordinator: sends reminders, distributes contact list, etc.
- Other roles as needed, e.g., Researcher, Validator, etc.

Establish a Schedule
- Use a Study Plan (see Study Plan examples).
- Meet Regularly, e.g., Weekly Meetings/Calls for 2 hours.
- Incorporate all Domains, Activities, and Reviews
- Identify target Exam Date, if known.

Set Agendas – have a plan or objectives so you can work effectively together.
- Set time for each part of the session, e.g., weekly topic, study activity, domain summary/review, studying problem areas, discussions, etc.
- Set and send out agenda in advance.
- Close with Debrief and Assignments/roles & Items for the next agenda.
- Include health break if long sessions, restart on time.

The Pits! Watch out for these and address them as soon as possible.
- Unfair work load or work done poorly - Avoid having some members not doing enough and others trying to do everything; a good reason to rotate roles
- Resigning from the group. Give advance notice if possible.
- If the group is needing to ask someone to resign, perhaps due to chronic absence, or not contributing, for example. Attempt to resolve conflicts and/or put personal differences aside for the good of the group as you address such issues.
STUDY PLAN

AS WE’VE ALL BEEN TOLD, “IF WE FAIL TO PLAN, WE PLAN TO FAIL.”

Maximize your study time. Block out regular study times on your calendar. You can adjust this for individual as well as Study Group activities. Shown are samples. You will find files to download and revise for your personal use. See accompanying Study Plan files.

STUDY PLAN SAMPLE #1

<table>
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<tr>
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ACPA Code of Professional Conduct
Code of Federal Regulations, Title 40 [FARs]
FAS No. 34: Capitalization of Interest Cost
FAS No. 142: Goodwill & Other Intangible Assets

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Code of Federal Regulations, Title 40

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REFERENCES AND RESOURCE

You can easily link to view and/or order the referenced materials throughout this section. Be sure to close out of it before returning to the study guide, rather than using the “Back” arrow. This should allow you to return to your place in the guide.

CRITICAL TEXTS

The AICPA’s Construction Contractors Audit and Accounting Guide and The Financial Management and Accounting for the Construction Industry (a.k.a. “The Book”) are primary resources for anyone preparing to take the CCIFP exam. Both of these publications contain important industry information essential to all construction financial managers and serve as crucial references for CCIFP candidates preparing for the exam.

Financial Management and Accounting for the Construction Industry Matthew Bender and Co., Inc.

Written by industry experts for industry professionals, this two-volume publication is considered the “Body of Knowledge” for construction financial professionals and a primary certification resource for CCIFP candidates. While you may use any comprehensive reference book to prepare for the CCIFP exam, this study guide is based on selected domains listed in The Financial Management and Accounting for the Construction Industry (“The Book”). You will also find many worksheets, useful tools, examples and other resources in the appendices of each chapter.

Construction Contractors Audit and Accounting Guide, AICPA

Considered the industry’s standard resource, topics covered in this AICPA guide include the application of GAAP for the construction industry and the text of Statement of Position (SOP) 81-1, Accounting for Performance of Construction-Type and Certain Production-Type Contracts.
ADDITIONAL SOURCES

There are a number of additional excellent study resources that you can use to prepare for the exam. Many (but by no means all) are referenced for you here. These suggestions are meant to offer you several choices in your study materials; though you need not read them all, there are definitely common topics that support the industry domains.

**PPC’s Guide to Construction Contractors**
Discussions of authoritative GAAP, auditing, compilation, review, consulting, and tax requirements with “how-to” advice to help you provide a wide range of services to construction contractors.
Practitioners Publishing Company

**Project Management for Construction**
Fundamental Concepts for Owners, Engineers, Architects and Builders
Prentice Hall

**Miller Construction Guide**
Provides accounting practitioners, construction contractors, and real-estate developers with thorough cost-effective approach for handling taxation, accounting, internal control, and auditing.
Eric P. Wallace, Aspen Publishing

CFMA OFFERINGS

In addition to education, conferences, and other events, CFMA offers several CFMA Publications and Other Resources that are available to support your continuing professional development and solidify your CCIFP study efforts. To further expand your understanding of various Construction Financial Management (CFM) concepts and enhance your ability to apply construction finance principles, we recommend you use the following CFMA resources:

**CFMA Connection Café’**
CFMA’s exclusive online community allows you to pose a question to an audience of nearly 8,000 members, and get real-life answers. Here you can share experience and expertise, ask questions, form study groups and more. You must be a CFMA Member to post in the café but anyone with a cfma.org user account can log in to browse through the community blog.

**CFMA Building Profits**
This quarterly, award-winning publication is CFMA’s #1 Member benefit providing construction financial professionals with in-depth articles authored by industry experts on topics ranging from construction accounting to technology. You can access CFMA Building Profits at work, home or on the road. Articles are available in the Publication Center of CFMA’s Web site, www.cfma.org. In particular, you may wish to review the Building Profits Issues from the current and previous years.

**NOTE:** Exam questions are not based on the information in these threads or articles.

**CFMA Local Chapters**
For the latest in Chapter News, regional conferences, learning events, professional discussions, networking opportunities, job information, community, and local issues. Also an chance for you to establish yourself professionally, i.e., get involved, continue to learn, and network.
DOMAINS/STUDY TOPICS

In addition to directing you to study ALL the content on the industry domains, we are referring you to a few specific chapters in Financial Management and Accounting for the Construction Industry, CFMA’s “The Book”, and the AICPA’s Audit and Accounting Guide Construction Contractors. These references will provide you with a higher concentration of detailed content on the topics listed, to which you may want to pay particular attention.

PLEASE NOTE: This information overlaps and the domains’ many subtopics are interwoven throughout “The Book” and guide, thus CCIFP skills and knowledge are integrated into all the chapters, therefore do not limit yourself to only these references. You need to study and know contained within “The Book”.

ACCOUNTING AND REPORTING (30% of the Exam)

**The Book:**

Refer to Chapters 2, 3, 4, 9, 23 and 24

- Roles and responsibilities
- Accounting standards and guidelines
- Basic methods of accounting
- Receivables
- Income recognition
- Change orders and contract modifications
- Costs in excess and billings in excess
- Construction equipment
- Subcontractor payables
- Capitalized interest
- Financial statements
- Project management
- Joint Ventures
- Contract Cost Principles and Procedures
- WIP schedules, related concepts and calculations


- Chapter 2, Roles and Responsibilities of the Financial Manager, sections 2.01-.03, .05-.07
- Chapter 3, Accounting and Reporting, sections 3.01-.02, .04, .06, .08-.15
- Chapter 4, Income Recognition, section 4.02
- Chapter 23, Project Management, sections 23.01-.08

Construction Contractors Audit and Accounting Guide, AICPA

- Chapter 1, 2, 5, 6 and Appendix

AICPA Code of Professional Conduct

The Financial Accounting Standards Board establishes and improves standards:

- FAS No. 34: Capitalization of Interest Cost
- FAS No. 132: Goodwill and Other Intangible Assets
BUDGETING AND PLANNING (11% of the Exam)

The Book:
Refer to Chapters 13, 14, 15, 18, 19, 20.
- Capital budgeting
- Cash Flow
- Cash management
- Strategic planning and annual CP planning
- Activity based costing
- Strategic cost management
- Benchmarking
- Banking
- IRR/NPV/PI - concepts, calculations, & use

Financial Management and Accounting for the Construction Industry Matthew Bender and Co., Inc.
- Chapter 13, Budgeting and Planning, sections 13.01-.02
- Chapter 14, Capital Budgeting, sections 14.01-07
- Chapter 15, Cash Management, sections 15.01-.08
- Chapter 18, Activity-Based Costing, sections 18.01-.03
- Chapter 19, Benchmarking, section 19.01

HUMAN RESOURCES (6% of the Exam)

The Book:
Refer to Chapters 25, 26A and 26B.
- Compensation
- Developing and maintaining a sound base pay program
- Employee benefit plans
- Accounting/finance department administration
- Immigration compliance

Financial Management and Accounting for the Construction Industry Matthew Bender and Co., Inc.
- Chapter 25, Human Resources, sections 25.01, .03-.06 and .09(12)
INCOME RECOGNITION METHODS (20% of the Exam)

**The Book:**
Refer to Chapters 3, 4, 5, 16.
Accounting and reporting
Income recognition
Financial reporting
Independent auditor’s role
Percentage-of-completion accounting method
Contract revenues
Contract costs
Accounting for the effects of change in estimates
Completed-contract accounting method
Independent construction audit
Estimating and bidding: Costing and pricing

*Financial Management and Accounting for the Construction Industry Matthew Bender and Co., Inc.*

Chapter 3, Accounting and Reporting, sections 3.06, 3.13-.14
Chapter 4, Income Recognition, sections 4.01-.08
Chapter 5, Independent Auditor’s Role in Construction Auditing, sections 5.01-.06
Chapter 16, Estimating and Bidding: Costing and Pricing the Work, section 16.03

*Construction Contractors Audit and Accounting Guide, AICPA*

Chapters 6, 8, 10 and Appendix

*Code of Federal Regulations, Title 48 [FARS]*
Review the Construction and architect-engineer contracts section of the Federal Acquisition Regulations System for Contract Cost Principles and Procedures in Volume 1, Part 31, Sec. 31.105.

INFORMATION TECHNOLOGY (3% of the Exam)

**The Book:**
Refer to Chapter 17.
Information technology in the construction industry
Applications for construction management
Disaster recovery plans
IT terms & concepts

*Financial Management and Accounting for the Construction Industry Matthew Bender and Co., Inc.*

Chapter 17, Information Technology, sections 17.01-.07
LEGAL (11% of the Exam)

The Book:
Refer to Chapters 6, 7 and 24.
- Legal issues typical to construction
- Preparation and review of contracts
- Subcontracts
- Change orders and other contract modifications
- Warranties
- Alternatives to litigation

Financial Management and Accounting for the Construction Industry Matthew Bender and Co., Inc.
- Chapter 6, Legal Issues, sections 6.02-.04, .12-.14, .20 and .23
- Chapter 24, Change Orders, section 24.08

How Construction Contracts Cause Litigation Robert C. Epstein, Duane Morris, LLP, February 2005 -
Knowing the areas where conflict is likely to arise, and carefully planning to address them, can reduce the risk of conflict, and therefore increase the chance of a successful project for all concerned.

AIA Contract Documents
You’ll need to be familiar with forms and contracts that define the relationships and terms involved in construction projects. These comprehensive contracts and forms were prepared by the AIA with the consensus of owners, contractors, attorneys, architects, engineers, and others, and are widely recognized as the industry standard.

RISK MANAGEMENT (14% of Exam)

The Book:
Refer to Chapters 27 and 28.
- Risk management responsibilities
- Construction-related insurance
- Surety

Financial Management and Accounting for the Construction Industry Matthew Bender and Co., Inc.
- Chapter 27, Risk Management and Insurance, sections 27.01, .03-.07, .11-.12
- Chapter 28, Surety, sections 28.01-28.05

IRMI - Construction Risk Management – The International Risk Management Institute offers relevant publications and other resources.

101 Rules of Risk Management
Thomas V. Hallett, ed., reproduced by Harvard Aimes Group offers rules to follow.
**TAXES** (5% of Exam)

**The Book:**
Refer to Chapter 29.
- Accounting methods unique to the construction industry
- Tax filing
- Federal income taxation
- Look-back-bonus
- Section 179 depreciation
- Tax v. book calculation methods

**Financial Management and Accounting for the Construction Industry Matthew Bender and Co., Inc.**
Chapter 29, Taxes, sections 29.01-29.08

**Construction Contractors Audit and Accounting Guide, AICPA**
Chapters 6, 8, 10 and Appendix

Familiarity with and understanding of IRC §460 is recommended. You’ll find details in the IRS Audit Technique Guides: Construction Industry and the Legal Information Institute.

**IRS Accounting for Construction Contracts - Construction Tax Tips**
There are several specialized accrual methods available in the construction industry, each of which has its own set of rules and limitations. Learn more about taxable income, tax accounting methods, relevant terms, and other useful tips.

**Tax Information for Small Construction Businesses**
Be aware of the issues and avoid the pitfalls that may cause problems for the owners of small construction businesses.
STUDY GUIDE TOOLS

GLOSSARY
See accompanying Glossary file. In addition to the glossary of terms that may be included in any of the aforementioned reference and resource materials, please refer to the glossary that is included as part of this study guide. Reviewing terminology helps increase your understanding of various concepts.

FLASHCARDS
See accompanying Flashcard file. In addition to the strong recommendation to make your own flashcards (see Study Activities) please refer to the Flashcards that are included as part of this guide. This tool should be compatible with your mobile devices as long as you have internet access and open your CFMA learning portal.

WHY SIT FOR THE CCIFP EXAM?
In the ever-changing, rapidly advancing marketplace that is the construction industry, the Certified Construction Industry Financial Professional certification (CCIFP) is your mark of excellence. This credential will prepare you and your company to face the specialization, sophistication, and complexities of construction financial management that the future holds.

Financial managers - to demonstrate your mastery of the profession and improve your credibility and status in your organization/industry.

Service providers - to demonstrate an advantage over your competition and your commitment to the industry—some clients even demand that their professional services firms have a CCIFP on staff.

What does the CCIFP designation do for you?
- CCIFP certification is the ultimate recognition of your achievements within your profession
- Enhances personal and professional credibility
- Objectively verifies your knowledge
- Increases knowledge and skills in construction financial management
- Satisfies personal development in attaining a goal
- Provides evidence of your enhanced value
- Gives you decision-making confidence
- Keeps you tapped into a sophisticated network of professional knowledge
- Makes you a member of your profession’s elite
TEST TAKING TIPS

Are you a little worried because it’s been a long time since you’ve taken a test? Well, we’ve included some tips for you to try below. Still nervous? There are a number of excellent resources and Web sites that can provide you with test-taking tips and techniques, as well as ways to counteract anxiety on the day of the exam.

**PREPARE!** Study in advance so that you don’t feel rushed trying to cram before the exam. In addition, waiting until the last minute will only increase your anxiety on the day of the exam. Review at least all the sections that have been suggested in this guide. Pay particular attention to the calculations referenced in “The Book”. PRACTICE THEM. Note: Before you likely be using a calculator on the testing computer - get comfortable using such a tool. Again, practice.

**TEST YOURSELF.** Use the Practice Exam and sample questions, you can do use them more than once. Look to increase your accuracy rate.

**PREPARE FOR THE WORST.** Pay attention to those difficult or complex concepts – if you get hung up on a concept or do not understand something, try again and/or ask for help BEFORE the exam. Don’t skip over it. Again, practice those complicated calculations.

**CCIFP OVERVIEW SEMINAR.** A couple months before sitting for the exam check out CFMA’s CCIFP Overview Seminar. Whether in person, online or via audio recording – it’s a great way to help you focus on what is important. Schedule the seminar as close to your target exam date as possible to ensure that the information is fresh in your brain. Note: The audio can be downloaded for your convenience and repeated listening.

**PRACTICE MAKES PERFECT.** Continue studying for your exam up to the last minute - especially if you feel the need. Plan to arrive early or allow time before the scheduled exam to refresh for 20 minutes or so before taking the test. This helps your short-term memory to kick in and you may retain a bit of information that may come in handy.

**Physical Tactics:**

**STUDIES HAVE SHOWN THAT CHEWING GUM** while taking the test could reduce stress and increase alertness; two factors that could cause you to loss focus.

**BEFORE TAKING THE TEST, EAT A DECENT MEAL, NOT A HEAVY ONE.** A satisfied appetite will allow your brain to focus on the test rather than how hungry you are.

**STAY HYDRATED** – but don’t overdo it. Avoid the need for frequent bathroom breaks. Caffeine with caution: A little goes a long way and could actually cause the need for more bathroom breaks. If you normally don’t drink it – don’t start now. It can cause you to be nervous, anxious and unable to focus – the exact opposite of what you wanted.

**RELAX!** Get a good night sleep. Don’t forget to BREATHE! Meditate or stretch or use positive affirmations or visualization exercises to help you relax. It’s an important certification exam, yes – but it’s not open heart surgery.

**TEST DAY!** Make sure that you have all of the required information &/or materials. See the ICCIFP Test Site Requirements for details. Give yourself time so that you are not rushing or worrying. Positive imagery and/or attitude will help prepare your brain to retrieve that information once you start your test.
Test Taking Strategy: (optional approach)

SCAN THE EXAM and answer all of the questions that seem easy. (All of them if well prepared – but hey - it is a test! Careful not to “Submit” or “Finish” the test before you have a chance to review!)

GO BACK FOR THOSE UNANSWERED QUESTIONS. Some will seem easy now that you’re in information retrieval and thinking mode. Some may take a minute or two to figure out. If still stuck, move on – you can go back to it. The goal is to answer as many questions as possible.

ONCE YOU HAVE RESPONDED TO ALL THE QUESTIONS, REVIEW YOUR ANSWERS. Make sure they still seem right now that all this CCIFP information is in your working memory. However, be careful to not start second guessing yourself. Trust your gut!

PRACTICE EXAM

See accompanying Practice Exam file. It is designed to help you prepare for the real CCIFP Exam. Your score does not guarantee a similar score on the actual exam. It is intended to give you practice, reinforce your knowledge, and assess how well you know some key CFM concepts. It was designed to help you identify challenging topics and any areas in which you need to study more. Perhaps it will even help relieve any test anxiety you may experience. This tool is compatible with your mobile devices. You can take the test more than once.

In addition to this practice exam, the Institute has ten sample questions you can respond to as well ICCIFP Sample Questions.

MAINTAINING YOUR CREDENTIALS REQUIREMENTS

- Certification maintenance requires compliance with ICCIFP’s recertification requirements:
- Certification valid for an initial period of 3 years
- Annual recertification maintenance fees currently $100 for CFMA members; $150 for non-members
- Annual affirmation of continued employment in the industry
- Annual affirmation of the ICCIFP Code of Ethics
- Triennial continuing education requirement of 72 CPE credits each certification cycle (every 3 years)
  - 48 construction-specific CPE
  - 24 general credit CPE
CONTINUING PROFESSIONAL DEVELOPMENT

To maintain your credentials, CCIFPs are required to participate in professional development activities totaling at least 72 credits over the three year certification period. More importantly, at least two-thirds of those credits must be in construction-specific activities.

Professional development enables construction financial managers and CCIFPs to preserve and further develop their proficiency, achieve that professional edge, and increase their marketability and expertise. And CFMA is here to help with your Education & Development.

In addition to developmental and networking opportunities at your local Chapter level, CFMA offers live online learning, monthly hot topic webinars, self-study courses, conferences, and a library of recorded resources. See CFMA Membership Benefits for more information about improving your job performance and maximizing profitability.

CFMA CHAPTER CHAMPIONS

If you are interested in becoming a Chapter Champion, or would like more information, please contact the ICCIFP at 609-945-2400 or info@iccifp.org.

By serving as a liaison between ICCIFP and their own local CFMA Chapter Board, Chapter Champions advocate for local CCIFP preparation, education, and examination.

These include:

- Exam preparation - CFMA’s CCIFP Overview Seminar and/or forming Study Groups
- Continuing education at their Chapter - Create peer groups and opportunities for CPE at your chapter

STUDY GUIDE EVALUATION

We would appreciate knowing how helpful this Study Guide was to your preparation for the CCIFP exam. Please complete the EVALUATION now. Thank you in advance for your feedback, it will help us improve future materials.

Study Guide Evaluation Survey - link to Survey Monkey:
https://www.surveymonkey.com/r/TXNBMQH