CFMA’S
Study Guide
for the CCIFP Exam

With interactive links to Web-based content & selected articles from past issues of CFMA Building Profits magazine

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.

NOTE: Some Web pages may open behind the study guide window, while other pages may take a bit of time to load.

Click here for the Table of Contents

Every effort has been made to ensure that the links provided in this study guide are active and accessible. However, Web-based content is the copyrighted property of the respective Web site owners. CFMA has no control over when and if such copy is removed and assumes no responsibility if pages referenced herein cannot be accessed.

CONSTRUCTION FINANCIAL MANAGEMENT ASSOCIATION
The Source & Resource for Construction Financial Excellence
ABOUT CFMA
The Construction Financial Management Association (CFMA) – “The Source & Resource for Construction Financial Excellence” – is the only non-profit organization dedicated to serving the financial professional in the construction industry. Established in 1981, CFMA serves more than 6,000 members in 89 chapters across the United States. CFMA offers a variety of educational and professional development programs through its chapter network, at its Annual Conference & Exhibition, and via the Internet. Membership in CFMA provides construction financial professionals with unique opportunities for industry networking, career development, and personal growth.
Please visit CFMA at www.cfma.org.
Table of Contents (Click on a topic to go right to that page.)

ABOUT THIS STUDY GUIDE

STUDY TIPS

STUDY GROUPS

STUDY PLAN

REFERENCE BOOKS

ACCOUNTING & REPORTING

BUDGETING & PLANNING

HUMAN RESOURCES

INCOME RECOGNITION METHODS

INFORMATION TECHNOLOGY

LEGAL

RISK MANAGEMENT

TAXES

STUDY GUIDE EVALUATION
ABOUT THIS STUDY GUIDE

The purpose of any study guide is to help candidates gain an understanding of the material on which they will be tested. This guide provides an overview of 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 study materials provided for each topic are intended to assist in your preparation, but should not be taken as the definitive and exclusive compilation of the resources used in the development of the exam.

This electronic version of the study guide contains interactive links to a number of online resources that you may find helpful as you prepare for the exam. It also contains selected articles from CFMA Building Profits magazine.

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. 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 have similar coverage to those included here, you may succeed by studying those familiar resources. In fact, you should avoid relying exclusively on one resource as you prepare to take the exam.

Remember: 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 may not take the exam unless you meet certain requirements for work experience. (For details, see the Candidate Information Bulletin, which also explains how the exam was developed, what it is designed to measure, the format used, etc.). Simply studying the references cited in this guide does not guarantee that you will pass the exam, but it 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; also, 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 this field.
STUDY TIPS  

An organized program of study, like the one in this guide, can help you prepare for the CCIFP exam. We have laid out a program for you that could be completed in as little as eight weeks. However, you will have the greatest success if you go at a pace that is comfortable for you when covering the material, spending more time on those areas that need more attention and less on areas in which you feel comfortable.

MAXIMIZE YOUR STUDY TIME

As someone once said, “Most people don’t plan to fail; they just fail to plan.” So, start your preparation for the CCIFP exam by developing a personal study plan. Determine how much time you can devote to studying, then block out regular study periods on your calendar.

Review the topics covered on the exam and determine where you need to devote most of your effort. Then, map out your plan, assigning specific topics to specific blocks of study time. You may not always stick to the plan, but, at the very least, you will have a general idea of what you need to be studying at any given point to be prepared to take the exam as scheduled.

Once you have made your plan, commit to it. This is where many people fail. They make a plan, then forget about it. That’s why it’s important to schedule study time on your calendar. Then, it’s right there in plain sight with the rest of your daily obligations. By mapping out your plan, you will be setting goals that will help you stay motivated.

Don’t cram. You can’t review everything in just one or two nights. In addition, waiting until the last minute will only increase your anxiety on the day of the exam.

OVERCOMING TEST ANXIETY

Are you a little worried because it’s been a long time since you’ve taken a test? 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. In fact, a simple Internet search of the phrase “Test Anxiety” returns over 61,000 references! So, if you want advice about how to relax on test day, it’s there on the Web.

The best way to counteract test anxiety, however, is to be prepared when you sit down for the exam. Following a well-thought-out study plan is one method. Studying with a group of like-minded individuals is another.
STUDY GROUPS  
(Back to TOC)

People who are preparing for exams often find that studying with a small group of colleagues helps them learn more efficiently. Learning with such a group has several advantages over learning alone:

- You use multiple learning styles that reinforce your learning – reading, note-taking, recalling, discussing, questioning.
- You benefit from multiple professional experiences and points of view.
- The group has a larger network of experts.
- The expectations of the group reinforce your personal motivation.
- The support of the group builds your confidence.

HOW TO START A STUDY GROUP

To form a study group, network with others in your local CFMA chapter to learn who is planning to take the exam. (In some cases, members from several chapters have joined together to form a study group.) Even if you identify only one other person, you can enjoy the benefits of group study.

TIPS FOR A SUCCESSFUL GROUP

Don't put off starting the group. Last-minute cram sessions are just as ineffective for groups as they are for individuals. By starting a study group several months in advance of the exam, the group can structure the available time and use it more productively, which benefits all of the members.

Set a regular schedule of meetings and plan your curriculum. Choose times and places for your meetings that will be free of distractions. Use the first meeting to set the ground rules for how the group will function.

Designate facilitators. Groups tend to stay more focused if one person serves as the facilitator or discussion leader. Many groups rotate this position, assigning it to the “expert” on the topic currently being covered.

Have a plan for each meeting. Ask the current “expert” on the topic to prepare a few questions about the key points in the material in advance of the group meeting. Then, at the meeting, the others in the group can take this mini-test and discuss their right or wrong answers. What’s important is not each person’s score, but how the subsequent discussion clarifies the topic for everyone on the most important points in the material under review.

You can find more suggestions including tips for writing questions and additional information on study groups on the ICCIFP Web site.
STUDY PLAN  

Here are the topics as listed in the Candidate Information Bulletin that are covered in this study guide, along with the percentage of exam questions each represents.

Review the list of topics to determine where you should start your study program. Topics that you use every day and have a good understanding of may only require a quick review, whereas topics with which you are less familiar may require more study. Allow yourself about eight weeks to review the material.

Find a system that works for you: Some people like to break their study time into several short sessions, while others find that fewer (but longer) sessions work best. The important thing is to be consistent in your studying by incorporating the time into your schedule.

Once you have reviewed all of the topics, answer these sample questions (which can also be found on pages 16-18 in the Candidate Information Bulletin). Tally your score to determine which areas may need additional review prior to sitting for the exam.

**TOPICS**

**ACCOUNTING & REPORTING (30%)**
- Accounting standards & guidelines
- Basic methods of accounting
- Receivables
- Costs in excess & billings in excess
- Construction equipment
- Subcontractor payables
- Capitalized interest
- Financial statements
- Project management

**BUDGETING & PLANNING (11%)**
- Capital budgeting
- Cash management
- Strategic planning
- Strategic cost management

**HUMAN RESOURCES (6%)**
- Compensation
- Employee benefit plans
- Accounting/finance department administration
INCOME RECOGNITION METHODS (20%)
• Financial reporting
• Percentage-of-completion accounting method
• Contract revenues
• Contract costs
• Accounting for the effects of change in estimates
• Completed-contract accounting method
• Independent construction audit

INFORMATION TECHNOLOGY (3%)
• Applications for construction management

LEGAL (11%)
• Preparation & review of contracts
• Subcontracts
• Warranties
• Alternatives to litigation

RISK MANAGEMENT (14%)
• Risk management responsibilities
• Construction-related insurance
• Surety

TAXES (5%)
• Accounting methods unique to the construction industry
• Tax filing

ABOUT THE RESOURCES
There are a number of excellent study resources that you can use to prepare for the exam. Many (but by no means all) are referenced for you on the pages that follow. These suggestions are meant to offer you several choices in your study materials; don’t assume that you need to read them all.

Links are included so that you can view the specific articles 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.
The AICPA's Construction Contractors Audit & Accounting Guide is a crucial resource for anyone preparing to take the CCIFP exam. It contains guidance on the application of GAAP for the construction industry and includes the full text of Statement of Position (SOP) 81-1, Accounting for Performance of Construction-Type and Certain Production-Type Contracts. As well, it also contains information on a number of APB Opinions, ARBs, and relevant FASB pronouncements. If you do not have this publication, click here to Order.

Along with the AICPA Guide, you will need to use a comprehensive construction accounting reference (or desk) book. During the development of this study guide, a number of these types books were mentioned, including:

- **Financial Management and Accounting for the Construction Industry**  
  CFMA, Matthew Bender & Co., Inc.  
  [Order](#)

- **Construction Accounting Deskbook**  
  Hugh L. Rice & John L. Callan,  
  Harcourt Brace Professional Pub.  
  (Out of print)

- **Construction Controllers Manual**  
  Keith R. Fetridge, Warren, Gorham & Lamont  
  (Out of print)

- **PPC’s Guide for Construction Contractors**  
  Practitioners Publishing Company

- **Project Management for Construction, Second Edition**  
  Prentice Hall

- **Miller Construction Guide**  
  Eric P. Wallace, Aspen Publishing

While you may use any comprehensive reference book as you prepare for the CCIFP exam, this study guide is based on CFMA’s Financial Management and Accounting for the Construction Industry.
ACCOUNTING & REPORTING

The topic of Accounting & Reporting, which accounts for the largest percentage (30%) of questions on the exam, encompasses the following areas:

- Accounting standards & guidelines
- Basic methods of accounting
- Receivables
- Costs in excess & billings in excess
- Construction equipment
- Subcontractor payables
- Capitalized interest
- Financial statements
- Project management

RESOURCES

The resources listed here are to provide guidance; please do not feel that you need to read them all.

**Financial Management and Accounting for the Construction Industry**
CFMA, Matthew Bender & Co., Inc.  
Order
Chapter 2, Roles & Responsibilities of the Financial Manager, sections 2.01-.03, .05-.07
Chapter 3, Accounting & Reporting, sections 3.01-.02, .04, .06, .08-.15
Chapter 4, Income Recognition, section 4.02
Chapter 23, Project Management, sections 23.01-.08

**AICPA’s Audit and Accounting Guide Construction Contractors**
Order
Chapters 1, 2, 5, 6 & Appendix

**AICPA Code of Professional Conduct**  
View

**Code of Federal Regulations, Title 48 [FARS]**  
View
Volume 1, Part 31 – Contract Cost Principles and Procedures, Sec. 31.105  
[Construction and architect-engineer contracts].

**FASB**: FAS No. 34: Capitalization of Interest Cost  
View
FAS No. 142: Goodwill & Other Intangible Assets  
View

Continued on next page
The **AICPA’s Audit & Accounting Guide Construction Contractors** is a crucial resource for anyone preparing to take the CCIFP exam. It contains guidance on the application of GAAP for the construction industry and includes the full text of Statement of Position (SOP) 81-1, *Accounting for Performance of Construction-Type and Certain Production-Type Contracts*. As well, it also contains information on a number of APB Opinions, ARBs, and relevant FASB pronouncements. If you do not have this publication, click here to [Order](#).

Along with the AICPA Guide, you will need to use a comprehensive construction accounting reference (or desk) book. During the development of this study guide, a number of these types books were mentioned, including:

- **Financial Management and Accounting for the Construction Industry**  
  CFMA, Matthew Bender & Co., Inc.  
  [Order](#)

- **Construction Accounting Deskbook**  
  (Out of print)

- **Construction Controllers Manual**  
  Keith R. Fetridge, Warren, Gorham & Lamont  
  (Out of print)

- **PPC’s Guide for Construction Contractors**  
  Practitioners Publishing Company

- **Project Management for Construction, Second Edition**  
  Prentice Hall

- **Miller Construction Guide**  
  Eric P. Wallace, Aspen Publishing

While you may use any comprehensive reference book as you prepare for the CCIFP exam, this study guide is based on CFMA’s *Financial Management and Accounting for the Construction Industry*. 
The failure to plan and set specific objectives is a major cause of contractor failure. The role of the construction financial manager in both annual (budgetary) and strategic planning should not be underemphasized. This role encompasses the following areas:

- Capital budgeting
- Cash management
- Strategic planning
- Strategic cost management

RESOURCES
The resources listed here are to provide guidance; please do not feel that you need to read them all.

*Financial Management and Accounting for the Construction Industry*  Order

*CFMA, Matthew Bender & 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

RELATED ARTICLES ON CD-ROM

*Performance Measurement: The Guideposts on Your Road to Success*  View on CFMA’s Web site
Jerry Henderson, *CFMA Building Profits*, Jan./Feb. 2004

Additional articles on budgeting and planning issues from *CFMA Building Profits* are available in the *Publication Center* and the *Accounting & Reporting* section of the News Center on CFMA’s Web site, *www.cfma.org*. 
Increasingly, construction financial managers find that they are handling HR issues for their companies. As such, they need to be aware of a number of concerns and regulatory issues, including the following:

- Compensation
- Employee benefit plans
- Accounting/finance department administration

RESOURCES

*Financial Management and Accounting for the Construction Industry*  
Order
CFMA, Matthew Bender & Co., Inc.
Chapter 25, Human Resources, sections 25.01, .03-.06 & .09(12)

*Compensation Programs for Construction Personnel*  
View
Leeevansgroup.com

**RELATED ARTICLES ON CD-ROM**

*Manpower Squeeze Pushes Wages Higher*  
View on CD

Additional articles on HR issues from *CFMA Building Profits* are available in the *Publication Center* of CFMA’s Web site, [www.cfma.org](http://www.cfma.org). In particular, you may wish to review the Editorial Index for the years 1999-2005, which can be accessed by [clicking here](http://www.cfma.org) and scrolling down once the Reprint Order Form page opens.
INCOME RECOGNITION METHODS  (back to TOC)

Income recognition (along with A&R responsibilities) make up a full 50% of the exam questions, speaking to the importance of this function as part of a construction financial professional's overall expertise. Responsibilities for income recognition include the following:

- Financial reporting
- Percentage-of-completion accounting method
- Contract revenues
- Contract costs
- Accounting for the effects of change in estimates
- Completed-contract accounting method
- Independent construction audit

RESOURCES
The resources listed here are to provide guidance; please do not feel that you need to read them all.

**Financial Management and Accounting for the Construction Industry**  Order
CFMA, Matthew Bender & Co., Inc.
Chapter 3, Accounting & 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 & Bidding: Costing & Pricing the Work, section 16.03

**AICPA’s Audit & Accounting Guide Construction Contractors**  Order
Chapters 6, 8, 10 & Appendix

**AICPA Practice Alert 2000-3** Auditing Construction Contracts, September, 2000  View

**Code of Federal Regulations, Title 48 [FARS]**  View
Volume 1, Part 31 – Contract Cost Principles and Procedures, Sec. 31.105
[Construction and architect-engineer contracts].

RELATED ARTICLES ON CD-ROM

**What is Job Cost? A Guide for Contractors**  View on CD

Additional articles on income recognition issues from *CFMA Building Profits* are available in the *Publication Center* and the *Accounting & Reporting* section of the News Center on CFMA's Web site, [www.cfma.org](http://www.cfma.org).
Even though the construction industry has been slow to embrace technology, increasingly construction financial professionals are finding it to their advantage to be knowledgeable about IT and its applications to construction financial management.

RESOURCES
The resources listed here are to provide guidance; please do not feel that you need to read them all.

Financial Management and Accounting for the Construction Industry  Order
CFMA, Matthew Bender & Co., Inc.
Chapter 17, Information Technology, sections 17.01-.07

RELATED ARTICLES ON CD-ROM

Tech Trends  View on CD

Additional articles on IT issues from CFMA Building Profits are available in the Publication Center of CFMA’s Web site, www.cfma.org. In particular, each year, the July/August issue of CFMA Building Profits focuses on IT. The Editorial Index lists all of the IT articles available for your review. The Index can be accessed by clicking here and scrolling down once the Reprint Order Form page opens.
As part of their overall responsibilities to their companies, construction financial professionals are finding it to their advantage to have a solid understanding of the following areas:

- Preparation & review of contracts
- Subcontracts
- Warranties
- Alternatives to litigation

**RESOURCES**

The resources listed here are to provide guidance; please do not feel that you need to read them all.

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

*How Construction Contracts Cause Litigation*  
Robert C. Epstein, Greenberg Traurig LLP, 2004  
[View](#)

*Recent Developments in Case Law Involving Builders Risk Insurance*  
James M. Hoey, Clausen Miller, P.C., 2003  
[View](#)

Note: A familiarity with AIA standard contract documents is recommended.

**RELATED ARTICLES ON CD-ROM**

*Analysis Tools: Assessing the Risk of Disputes*  
Craig D. Miller, *CFMA Building Profits*, Jan./Feb. 2002  
[View on CD](#)

Additional articles on legal issues from *CFMA Building Profits* are available in the [Publication Center](http://www.cfma.org) of CFMA's Web site, [www.cfma.org](http://www.cfma.org). In particular, you may wish to review the March/April 2006 issue of *CFMA Building Profits* (which can be ordered by clicking here) and the Editorial Index for the years 2000-2008, (access by clicking here and scrolling down once the Reprint Order Form page opens).
Increasingly, risk management issues (including insurance and surety concerns) are moving to the top of the list when it comes to the attention paid by construction financial professionals – especially in the following areas:

- Risk management responsibilities
- Construction-related insurance
- Surety

RESOURCES

The resources listed here are to provide guidance; please do not feel that you need to read them all.

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

**AGC Insurance/Risk Management Checklist**  
View the AGC Insurance/Risk Management Checklist.

**Construction Risk Management**  
View Table of Contents from IRMI, 2005

**IRMI:** various articles at Web site  
View the IRMI articles at their Web site.

**101 Rules of Risk Management**  

**RELATED ARTICLES ON CD-ROM**

**Risk Management: Insurance Market Update**  

**Mold Is Gold . . . or Is It?**  
View on CD from Jeff Slivka, *CFMA Building Profits*, Sep./Oct. 2002

Additional articles on risk management issues from *CFMA Building Profits* are available in the Publication Center of CFMA’s Web site, [www.cfma.org](http://www.cfma.org). In particular, each year, the Sept./Oct. issue of *CFMA Building Profits* focuses on risk management. The Editorial Index lists all of the risk management articles available for your review. The Index can be accessed by clicking here and scrolling down once the Reprint Order Form page opens.
TAXES  (back to TOC)
Changes in the Tax Code and the complexity of the rules and regulations affecting contractors are just two of the many reasons why a knowledge of federal taxation issues is important for construction financial professionals, especially in these areas:

- Accounting methods unique to the construction industry
- Tax filing

RESOURCES
The resources listed here are to provide guidance; please do not feel that you need to read them all.

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

AICPA’s Audit and Accounting Guide Construction Contractors  Order
Chapters 6, 8, 10 & Appendix

IRS Audit Technique Guides (ATGs): Construction Industry  View
IRS Accounting for Construction Contracts – Construction Tax Tips  View
IRS Tax Information for Small Construction Businesses  View
Publication 3780, Rev. 11-2003

Note: A familiarity with and understanding of IRC §460 is recommended.

RELATED ARTICLES ON CD-ROM

Contractor Accounting Methods: The 10+ Choices  View on CFMA’s Web site
Eric P. Wallace, CFMA Building Profits, Jan./Feb. 2004

The “New” §460 Regs  View on CD
Alan K. Clark, CFMA Building Profits, Jul./Aug. 2001

Contractors & the Cash Method: The IRS Throws in the Towel!  View on CD

Additional articles on tax issues from CFMA Building Profits are available in the Publication Center and the Tax & Legislative Affairs (T&LA) section of the News Center of CFMA’s Web site, www.cfma.org. The Editorial Index lists all of the tax articles available for your review. The Index can be accessed by clicking here and scrolling down once the Reprint Order Form page opens.
Study Guide
Evaluation Survey

We would appreciate knowing how helpful you found this study guide as you prepared for the CCIFP exam. Please print out and complete this evaluation form, then fax it to CFMA at 609-452-0474, or use the form in the booklet that accompanies this CD-ROM. Your feedback will help us improve future guides. Thank you in advance for your help.

1. How helpful did you find this study guide as you prepared to take the CCIFP exam? (Check one box only)
   - [ ] Extremely helpful
   - [ ] Somewhat helpful
   - [ ] Not helpful

2. Did you use Financial Management & Accounting for the Construction Industry or another reference book for your preparation? If you used another reference book, please tell us which one(s) you used. (Check all that apply)
   - [ ] Financial Management & Accounting for the Construction Industry
   - [ ] Another reference book

3. Which version of the study guide did you primarily use? (Check one box only)
   - [ ] Print version
   - [ ] Electronic version on CD ROM
   - [ ] Both

4. Did you feel that this study guide was a good value for the price? (Check one box only)
   - [ ] Yes
   - [ ] No – If No, what price would you suggest? _____________

5. What can we do to make this study guide more useful?

6. Please tell us a little about yourself: (Check all that apply)
   - [ ] I am a member of CFMA
     - [ ] General
     - [ ] Associate
   - [ ] I am not a member of CFMA

Job Title (optional) ____________________________________________________

THANK YOU FOR YOUR FEEDBACK.
PLEASE FAX THIS COMPLETED FORM TO CFMA AT 609-452-0474.