

CERTIFIED MANAGER OF COMMUNITY ASSOCIATIONS®

# CMCA® STUDY GUIDE

SETTING THE STANDARD FOR COMMUNITY  
ASSOCIATION MANAGERS NATIONWIDE.

# **CMCA**

## **EXAMINATION**

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## **STUDY GUIDE**

**NBC-CAM**

National Board of Certification  
for Community Association Managers

*Setting the Standard for Community Association Managers Nationwide*

For more information on the CMCA program, visit [www.nbccam.org](http://www.nbccam.org)

## **DISCLAIMER**

This study guide is a compilation of NBC-CAM's identified knowledge areas and tasks, CAI's *The Essentials of Community Association Management* (M-100) course material and CAI Guides for Association Practitioners (GAP) series. In publishing this manual, NBC-CAM is not attempting to teach the competencies measured by its examination, but rather to give you an understanding of test content, structure and procedure so that you may approach the examination with the confidence that comes of knowing what to expect.

***If you are looking for additional information about policies and process related to taking the CMCA examination, please visit [www.nbccam.org](http://www.nbccam.org) and download the CMCA Handbook.***

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# **SECTION I**

## Introduction

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# WELCOME

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Congratulations on your decision to earn the Certified Manager of Community Association Manager® (CMCA) credential. In doing so, you will join the ranks of over 9,000 other community association managers who have earned the CMCA since 1995. The CMCA represents professionalism in the field of community association management and a commitment to life-long learning.

To qualify to become a CMCA certificant, you must:

- Be a community association manager or be active in the community association profession.
- Successfully complete a prerequisite course on community association management.
- Pass the CMCA Examination.
- Agree to adhere to strict Standards of Professional
- Agree to comply with continuing education requirements.

This guide, developed from a content outline that is the basis for the CMCA examination, is designed to be used by individuals working alone; in small, self-directed learning groups; or in structured groups led by facilitators. This guide is intended to help you manage your preparation for the CMCA examination. It is important for you to become familiar with the content outline and the knowledge areas. The eight specific knowledge areas have been developed to assist you in studying and each area describes the responsibilities and associated tasks performed and the comprehension needed to successfully practice community association management.

Best of luck!

Sincerely,

A handwritten signature in black ink that reads "Dawn M. Bauman". The signature is fluid and cursive, with a long horizontal line extending from the end of the last name.

Dawn M. Bauman, CAE  
Executive Director

# CMCA PROGRAM

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The National Board of Certification for Community Associations Managers (NBC-CAM) is an independent not-for-profit organization formed to establish and administer a nationwide program for certification for community association managers. The certification program sets standards for measuring the knowledge and proficiency required for community association management. A professional CMCA certificant has achieved the standards identified and adopted by NBC-CAM. By earning the CMCA, the individual demonstrates to members of the profession, the public, association clients and government authorities a commitment to and interest in providing a high level of quality community association management.

NBC-CAM was incorporated by Community Associations Institute (CAI) in October 1995 as an independent, affiliated organization to administer the CMCA certification program. The NBC-CAM Board of Commissioners (the Board) has full authority over all aspects of the certification program. More than 1000 managers, homeowners and industry professionals were involved in the program's development. The Human Resources Research Organization (HumRRO), a professional test development firm established in 1951, was contracted to manage the development process, which involved the identification of eleven main knowledge areas. NBC-CAM was designed to meet standards to ensure that the CMCA program meets the stringent criteria required for reliability, validity and applicability.

## **Standards and Certification: Important to the Industry**

The CMCA credential provides an assurance to community association homeowners and board of directors that the manager has the basic knowledge necessary to effectively manage a community association. The CMCA also offers the association a baseline against which to evaluate prospective employees. Board of directors can use the knowledge and skills required for the CMCA as minimum criteria for a manager or management company, and know that the manager they hire will maintain the CMCA Standards of Professional Conduct that are part of the certification program.

## **NBC-CAM Certification Goals**

NBC-CAM was established to operate a certification program that would advance and help assure the quality of community association management services. NBC-CAM's goals are:

- To enhance the professional practice of community association management;
- To identify the body of knowledge necessary in professional practice; and
- To recognize those individuals who have demonstrated a satisfactory level of mastery of that body of experience.

# FORMATS FOR LEARNING

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Depending on your situation, you have several options on how to prepare and study for the CMCA Examination, including independent study, small group study and online networking.

**Independent study** is for those who learn most effectively when they work primarily alone, or for those whose schedule or situation does not permit them to meet with a study group or small group. Independent study allows you to structure your own process and schedule for examination preparation.

**Small group study** is for those who prefer to assemble their own group of peers and share the role of facilitator. You should choose partners who have compatible schedules and learning agendas. This format is most efficient when groups have no more than five members; it is easier to coordinate schedules and tasks with fewer members, though the responsibilities for each are lighter with more members.

**On-line networking** is for those who prefer to use their Internet access through LinkedIn and the CMCA Candidate listserv offered by NBC-CAM.

**LinkedIn** –LinkedIn is a powerful professional networking website that allows you to discover a wealth of new business contacts and resources. Reach out to the CMCA community by joining our group at:

<http://www.linkedin.com/e/gis/97333/2D608B7C6FD5>

**CMCA Candidate Listserv** – A listserv is an electronic discussion community, intended to create a powerful, on-line community for community management professionals to share information.

**To subscribe to the list for CMCA Examination Candidates:**

- Address an e-mail message to info@nbccam.org
- In the subject line type: subscribe
- In the body of the message type: CMCA Examination Candidate and your full name
- Do not include a signature or any additional text in your message

# PREPARING FOR THE CMCA EXAMINATION

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## Assess Your Knowledge Level

Your preparation for the CMCA Examination will be more efficient if you are aware of three things: what you already know, how you learn, and where you can go for additional information. The information in the knowledge areas will help you learn these things so you can decide how best to prepare for the examination. Here are some ways to evaluate your readiness in each of the knowledge areas.

**Basic Knowledge:** You might be just entering the profession or have limited professional experience. You have familiarity with terms and concepts, but you need to complete an in-depth review of the study materials.

*How to approach the material:* Study every part of each section, familiarizing yourself with terminology while also learning concepts and strategies. Additionally, if you need further information, seek out supplemental reading materials (such as CAI's GAP Reports) to aid in your studying. A full list of supplemental reading is available at the back of the study guide on page #.

**Intermediate Knowledge:** You have moderate professional experience in the area and have taken a pre-requisite course (e.g., CAI's M-100 course). If you only have on-the-job experience in a function, you may be operating with commonly held misconceptions. Only through reading or formal learning will the information and methods synthesize and integrate into practice.

*How to approach the material:* Be sure that you are familiar with key terms and concepts, and study the ways in which they are implemented in each section. It is important to differentiate between how things *are done* and how they *should be done* in order to succeed on the exam.

**Advanced Knowledge:** You have extensive professional experience in the area and have taken a pre-requisite course.

*How to approach the material:* You should be familiar with key terms and concepts; in each section, go through the "topics covered" outline and briefly study the key terms and words/phrases in each section. If you understand the term and/or concept, there is no need to do further reading on the subject.

**CMCA Knowledge:** You have passed an examination demonstrating that you understand the concepts and potential scenarios, and how to apply strategy to the community association management profession..

*How to approach the material:* You should be ready to take the exam. Briefly review the key terms and concepts, but there is no need to read each section word-for-word.

## **SECTION II**

# The CMCA Examination Content

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# THE CMCA EXAMINATION

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The CMCA Examination Content serves multiple functions for the CMCA program. First, and most importantly, it provides guidance to candidates preparing for the Examination. The degree of detail informs candidates of the scope of content that may be expected. The range of numbers adjacent to each major knowledge area indicates the relative emphasis. Candidates should devote greater effort to the content areas that contain more items than to the areas that have fewer.

The CMCA Examination Content also is a statement, both within and outside of the community association management profession, of the skills required to function effectively as a community association manager. The compilation of knowledge fosters the growing recognition of community association management as a profession.

## **The CMCA Examination Content**

The CMCA Examination is a three-hour, 120-question multiple choice exam that tests candidates in:

- Meetings (11%)
- Governance and Legal Issues (22%)
- Budgets, Reserves, Investments and Assessments (15%)
- Financial Controls (12%)
- Risk Management and Insurance (10%)
- Property Maintenance (8%)
- Contracting (14%)
- Human Resource Management (8%)

The CMCA Examination Content is the result of extensive and regular surveys of community association managers. Discussed in the following pages are the results of the survey and the specific knowledge, skills and abilities that the survey participants identified for the knowledge areas.

# Exploring the Knowledge Areas

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## Knowledge Area 1: Meetings (11%)

This section comprises approximately 11% of your total test. That means to expect about 13 questions, with around 20 minutes allotted to answer those questions.

### Topics covered:

1. Differences in the roles of managers and directors at a board meeting
2. Requirements (e.g., agendas, notification, quorum, voting procedures) for different types of meetings
3. Requirements for election procedures and the functions of nominating committees
4. Basic principles of parliamentary procedure (e.g., *Robert's Rules of Order*) and governing documents
5. Form and content of meeting minutes
6. Roles and responsibilities of community association committees
7. Procedures for holding an executive session
8. State laws regarding association meetings

### Tasks associated with this knowledge area:

1. Develop and implement an administrative calendar of association meetings, events, and activities
2. Serve as a liaison between the association/board of directors and legal counsel
3. Provide information and guidance to the board as it sets policies and makes decisions
4. Prepare and submit a management report to the board
5. Prepare agendas and information packets for board meetings
6. Educate and advise the board of its role and responsibilities
7. Prepare and distribute meeting notices
8. Develop and implement election procedures for membership meetings in accordance with governing documents
9. Organize and participate in meetings of the membership and the board
10. Maintain minutes and resolutions

### Key Terms

**Abstention:** When a participant in a vote either does not go to vote (on Election Day) or, in parliamentary procedure, is present during the vote, but does not cast a ballot. An abstention may be used to indicate the voting individual's ambivalence about the measure or mild disapproval that does not rise to the level of active opposition. Abstentions do not count in tallying the vote; when members abstain, they are in effect only attending the meeting to aid in constituting a quorum.

**Action item list:** An action item is a documented event, task, activity or action that needs to take place. Action items are usually documented in the meeting minutes and are recorded in the task list of the group. At the next meeting the action item list is reviewed by the group and at that meeting the facilitator will check the status of these items.

**Agenda:** An agenda is a list of meeting activities in the order in which they are to be taken up, beginning with the call to order and ending with adjournment.

## **Knowledge Area 1: Meetings**

**Amend a motion:** Amend a motion is used to modify another motion. The motion to amend takes three basic forms:

- Inserting or adding words or paragraphs
- Striking out words or paragraphs
- Striking out words and inserting or adding others, or substituting an entire paragraph or complete resolution for another

**Ballot:** A ballot is a device used to record choices made by voters. Each voter uses one ballot, which are not shared.

**Committee report:** These reports should highlight matters to be decided and recommendations by the committee. Supporting research should be included in the reports. Committees need to clearly state the actions they are asking the board to take and you should provide your committees with a suggested format for their reports and a sample.

**Debate:** During an election, a formal discussion involving opposing candidates vying for the same position.

**Executive session:** When a board must hold a discussion or make decisions of a sensitive nature. The topics that commonly require an executive session and are allowable by law usually include personnel issues, contract negotiations and discussions, lawsuits and other legal matters, and governing document violations.

**Financial report:** This is a report on the community's financial condition and activities, including a general ledger, variance, accounts payable, income statement and balance sheet. These are further reviewed in Section VI on page #.

**Majority:** Over 50% of the votes needed to win an election. The majority vote can come from those owners who attend the meeting, in person or by proxy, to decide all matters except special issues.

**Management report:** This is the manager's report on the association's current management and administrative activities.

**Minutes:** The minutes of a meeting document the decisions made during the meeting. This provides a permanent public record of positions and actions taken by the board.

**Motion:** A formal proposal stating that the association took a certain action.

**Notice of meeting:** An official announcement that a meeting will take place, which should be sent in writing to board members at least a week before a meeting.

**Parliamentary procedure:** The body of rules, ethics, and customs governing meetings and other operations.

**Plurality:** Awards the election to the candidate with the most votes, regardless of whether or not they received the majority.

**Proxy:** Proxy is the agency, function, or power of a person authorized to act or vote in place of another resident who could not be present.

**Quorum:** Quorum is the number of residents required to be present to transact business legally. That number is established in the association's by-laws.

## **Knowledge Area 1: Meetings**

**Robert's Rules of Order:** A book that provides common rules and procedures for deliberation and debate in order to place the whole membership on the same footing and speaking the same language.

**Second a motion:** Generally, once the motion has been proposed, consideration by the assembly occurs only if another member of the body immediately *seconds* the motion.

**Table a motion:** Incomplete items on the agenda should be rescheduled, or tabled, for another meeting.

**Timed agenda:** A more specific agenda that limits the amount of time focused on specific areas, so as to move the meeting along at a more thorough and prompt pace.

# Knowledge Area 2: Governance and Legal Issues (22%)

This section comprises approximately 22% of your test. That means to expect about 26 questions, with around 40 minutes allotted to answer those questions.

## Topics covered:

1. Laws and documents that govern a community association
2. Roles and responsibilities of the board of directors
3. Roles and responsibilities of a community association manager
4. Rights and responsibilities of members
5. Due process to enforce rules and architectural guidelines
6. Criteria for developing valid and enforceable rules and guidelines
7. Fiduciary responsibilities
8. Hierarchy of authority among governing documents
9. Hierarchy of authority among federal, state and local ordinances
10. Laws and governing documents that establish requirements for board of directors meetings
11. Need for written policies and procedures for a community association, including operations, emergency and disaster programs
12. Use restrictions in association documents
13. Internal and external resources for enforcing rules and architectural guidelines (e.g., fees, suspension of voting rights, police, local government agencies, alternative dispute resolution and litigation)
14. Reporting requirements for associations
15. Legal requirements for disclosures on sales

## Tasks associated with this knowledge area:

1. Organize and maintain association files (e.g., contracts, and correspondence)
2. Respond to resident/owner inquiries
3. Prepare packets for sales, leases or transfers required by association documents or statutes
4. Serve as a liaison between the association/board of directors and legal counsel
5. Provide information and guidance to the board as it sets policies and makes decisions
6. Educate and advise the board of its roles and responsibilities
7. Prepare and distribute meeting notices
8. Develop and implement election procedures for membership meetings in accordance with governing documents
9. Ensure compliance with local ordinances prior to commencement of contracted work
10. Advise the board in developing rules and regulations
11. Develop due process procedures for board approval
12. Process architectural variance or change requests
13. Identify and record violations of association restrictions, rules and regulations
14. Implement enforcement policies (e.g., rules and architectural controls) as directed by the board
15. Distribute the budget as required by the governing documents and statutes
16. Develop and implement effective assessment collection and accounts receivable processes
17. Prepare and send assessment notices and late payment notices
18. Apply late charge, interest, fines and legal fees on delinquent accounts as directed by governing documents or board policy

## **Knowledge Area 2: Governance and Legal Issues**

19. Communicate delinquency information to legal counsel
20. Maintain insurance coverages (e.g., casualty, fidelity, liability and property) in accordance with governing documents, statutes, and board policy
21. Serve as liaison between the board and the community association members
22. Represent the community association to the outside community (e.g., interface with local government, media and public agencies)
23. Develop, maintain, and distribute specific community information (e.g., list of service responsibilities)
24. Prepare and/or provide courtesy informational or familiarization packets about the community association providers, physical amenities, operation hours, owner vs. association to prospective buyers, owners, and tenants

### ***Key Terms (Legal Basis for Community Associations)***

**Articles of incorporation:** Bring the corporation into existence, define its basic purposes and powers, indicate whether stock will be issued, and indicate whether there will be a board of directors.

**Bylaws:** Formally adopted governing regulations for the administration and management of a community association.

**CC & Rs (Covenants, Conditions & Restrictions):** The governing documents that dictate how the homeowners association operates and what rules the owners—and their tenants and guests —must obey. These legal documents might also be called the bylaws, the master deed, the houses rules or another name. These documents and rules are legally enforceable by the homeowners association, unless a specific provision conflicts with federal, state or local laws.

**Community association:** A group of owners who wish to provide a communal basis for preserving, maintaining, and enhancing their homes and property.

**Condominium:** A living unit fully owned by an individual with an undivided interest in the common elements of the community. The community association itself owns no real estate as an association.

**Cooperative:** Wherein an individual owns stock or membership in the cooperative, and holds a proprietary lease or occupancy agreement for his or her living unit.

**Declaration:** Declaration is used interchangeably with CC & Rs.

**Governing documents:** Documents which provide for the legal structure and operation of the community.

**Indemnification:** To indemnify and hold harmless means to exempt an individual or entity from responsibility for claims made against the organization and to reimburse the individual or entity for damages or expenses incurred as a result of such claims

**Master association:** An organization of homeowners in a large condominium or planned unit development (PUD) which includes representatives from other, smaller homeowner organizations.

**Mixed use development:** A development which is designed to mix two or more "uses" of land together (i.e. a shopping center which offers office space for dentists).

## **Knowledge Area 2: Governance and Legal Issues**

**Planned community:** the most common type of community association, where an owner owns his or her lot and/or living unit and the community owns any common areas, such as tennis courts and roads for the use and benefit of the lot owners.

**Proprietary lease:** A rental agreement between a cooperative housing corporation and a share holder allowing use of a certain unit in the premises.

**Public offering statement:** A disclosure statement prepared by a developer that contains all material facts about a property offered for sale and that must be provided to a prospective purchaser in accordance with applicable state or federal law.

**Resolution:** A resolution is a motion that follows a set format and is formally adopted by the board of directors.

**Statute:** A formal written enactment of a legislative authority that governs a country, state, city or county.

**Umbrella association:** A cluster of community association types that can include aspects of homeowners associations, condominiums and cooperatives.

### ***Key Terms (Community Management)***

**Ad hoc committee:** Used when an objective needs consideration and no standing committee within the organization can absorb that issue into its scope. Usually these committees are used on a short-term basis, such as temporary oversight of an issue or review of the standing rules of that community.

**Board liaison system:** Directors are assigned to certain committees to guide the committee on Board policy and procedures and to report back to the Board. Directors serving as a liaison must distinguish their role from the role of the committee chairperson.

**Business judgment rule:** If a board has exercised reasonable business judgment in making a decision, the court will generally not consider the board negligent in its fiduciary duty, nor will the court substitute its judgment for that of the board. However, the board must demonstrate how it has taken care in reaching a decision. It is up to the court to decide if the board has exercised reasonable business judgment.

**Fiduciary duty:** Requires directors to act in the best interests and for the benefit of the corporation, thus the community as a whole. This fiduciary duty has two components: one, the members are required to avoid conflicts of interest and acting out of self-interest; and two the members are also required to act as reasonable people in managing the association's affairs.

**Management ethics:** The term "ethics" refers to the specific choices to be made by an individual in his or her relationships with others. Professional ethics are the rules or standards that govern the conduct of members of a profession. The assumption is that the special expertise held by members of the profession holds them to a high standard of trust by others.

**Management audit:** A management audit consists of a review of governing documents and existing policies and procedures, current condition of the property, owner/resident satisfaction, and fiscal operations. This review can be done by the board and manager together, or a third-party management consultant can be hired.

## **Knowledge Area 2: Governance and Legal Issues**

**Management plan:** A management plan is a statement of goals and objectives approved by the board. It includes the yearly cycle of tasks that management should perform on the community association's behalf.

**Standing committee:** Committees which have a continued existence and are not related to the accomplishment of a specific, once-only task. Budget and nomination committees are examples of standing committees.

### ***Key Terms (Rule Development and Enforcement)***

**Alternative dispute resolution:** Mediation, arbitration and other ways of resolving conflicts with the help of a specially trained neutral third party without the need for a formal trial or hearing.

**Appeal:** A request for a review of a case by a higher authority—if permitted by the governing documents or statute.

**Default hearing:** A hearing held when the alleged violator fails to appear.

**Due process procedure:** a formal process designed to protect the rights of all parties involved.

**Hearing notice:** This is a written notice to an alleged violator that a hearing will be held to consider his or her alleged violation.

**Hierarchy of authority:** Rules and architectural guidelines may not contradict or be in conflict with the legal sources that take precedence over them. Although rules and architectural guidelines are lower in the hierarchy of authority for community associations, they may clarify and expand a community's governing documents—but may not conflict with the other governing documents.

**Rule:** A specific statement of required behavior whose violation carries a penalty (sometimes called a sanction).

# Knowledge Area 3: Budgets, Reserves, Investments and Assessments (15%)

This section comprises approximately 15% of your test. That means to expect about 18 questions, with around 27 minutes allotted to answer those questions.

## Topics covered:

1. How to prepare and use an annual budget
2. Laws and governing documents that establish budget requirements
3. Fundamental requirements for reporting and disclosure statements as required by law
4. Board of directors', officers', committeees' and managers' roles and responsibilities in the budget process
5. Sources of authority to levy and collect assessments, special assessments and other amounts due the community association
6. Basic legal procedures and alternative remedies available to a community association for collecting delinquent payments from members
7. Use of a reserve study when developing a replacement reserve fund budget
8. Procedures of an established collection policy
9. Types and components of budgeting methods (e.g., zero-based and historical trend)
10. Alternative funding methods to supplement assessment income
11. Investment practices and alternatives for community associations, including knowledge of the limits on community association manager's investment duties
12. AICPA (American Institute of Certified Public Accountants) guidelines as it relates to the reporting of reserves

## Tasks associated with this knowledge area:

1. Educate and advise the board of its role and responsibilities
2. Analyze trends when preparing the budget
3. Develop and update a multi-year expense and reserve projection, seeking professional assistance as necessary
4. Prepare the draft annual budget, including operating expenses, capital improvements and reserves
5. Identify alternative sources of income
6. Identify methods of funding for reserve requirements
7. Distribute the budget as required by the governing documents and statutes
8. Develop and implement effective assessment collection and accounts receivable processes
9. Prepare and send assessment notices and late payment notices
10. Apply late charge, interest, fines and legal fees on delinquent accounts as directed by governing documents or board policy
11. Communicate delinquency information to legal counsel
12. Prepare and provide supporting documentation for outside collection action
13. Maintain the community association's financial records in accordance with Generally Accepted Accounting Principles (GAAP)
14. Develop and implement internal control procedures
15. Develop/establish effective accounts payable procedures
16. Prepare regularly scheduled financial statements and reports
17. Analyze the financial statements and reports, and report significant variances to the board
18. Execute investment policies developed by the board

### **Knowledge Area 3: Budgets, Reserves, Investments, and Assessments**

19. Identify independent accounting practitioners for association use
20. Provide independent auditor and/or accountant with association's financial records, as needed

#### ***Key Terms (Budget and Reserves)***

**Assessment:** An assessment is the owner's financial obligation to the community association during a given period of time—usually one year.

**Baseline funding:** The goal of this funding strategy is to keep the reserve cash balance above zero.

**Chart of accounts:** An organized list of titles, descriptions and assigned numbers of all accounts in an organization's general ledger. The assigned number helps you locate the account. The title describes the purpose of the account.

**Discretionary budget line items:** These are items based on owner, board and committee desires. They are items people would like to have—given their values, lifestyle, and preferred level of service (e.g. social and recreational expenses, and picnic areas).

**Expenses:** Expenses are the cost of goods and services used to operate and maintain the community's property.

**FHA:** Federal Housing Administration. Regulates and influences such items as the amount of insurance a community association must carry, procedures for financial operations and requirements for the upkeep of property.

**FHLMC:** Federal Home Loan Mortgage Corporation. Buys mortgages from lenders and in doing so require certain types of insurance to be in place.

**FNMA:** Federal National Mortgage Association. Federally established secondary mortgage institution that may set requirements that your community association will have to meet if owners are to participate in their financing programs

**Full funding:** The goal of this funding strategy is to attain and maintain the reserves at or near 100 percent as called for on the component inventory.

**Historical trend budgeting:** This method begins with the assumption that existing line items are needed. The amount of funds allotted to each during the current year is adjusted for expected changes in the coming year.

**Major improvement expenses:** Major improvement expenses consist of items that are not necessarily required, but are added to improve the overall welfare, safety or life of the residents—or to enhance the value of the community association as reflected in the resale value of units.

**Operating budget:** The section of a budget devoted to operating activities includes operating expenses and major improvement expenses—but not the replacement fund.

**Operating expenses:** Operating expenses are those items that occur on a regular basis—day to day, week to week, month to month, and year to year.

**Reconciliation of expenses and revenue:** After you draft both your operating and replacement fund budgets for the coming year, you must reconcile your estimated expenses with your community's anticipated revenue. To reconcile means to bring together after a difference.

### **Knowledge Area 3: Budgets, Reserves, Investments, and Assessments**

**Replacement fund:** The replacement fund consists of funds put aside—in reserve—for the replacement of major components of a community's common property.

**Reserve cash flow statement:** Shows the amount to be funded and the amount to be expended from the replacement fund over a given period of time.

**Reserve study:** A reserve study is a budget planning tool that considers the current status of the replacement fund and determines a stable and equitable funding plan to offset the anticipated future major common area expenditures.

**Revenue:** Revenue consists of the collective items or amounts of income which, in the case of a community association, are appropriated for public expenses.

**Threshold funding:** This method is based on the baseline-funding concept. The minimum reserve cash balance in threshold funding is set at a predetermined dollar amount.

**Zero-based budgeting:** With this method, all line items are set to zero and the amount of funds allotted to each must be justified.

#### ***Key Terms (Collecting Assessments)***

**Acceleration:** The collection of all assessments due through the end of the fiscal year. For example, if an owner's payments on the annual assessment are due monthly and become delinquent at the end of March, all monthly payments through December of that year are due immediately.

**Assessment:** An Assessment is the owner's financial obligation to the community association during a given period of time—usually one year. It covers the owner's share of the common expense, also known as "common expense liabilities" in some states.

**Bad debt write-off:** A bad debt write-off consists of recording an uncollectible debt as an expense that the association must absorb. This usually requires a resolution of the board.

**Chapter 7 bankruptcy:** Chapter 7 is called straight bankruptcy or liquidation. It involves the prompt conversion of all the individual's or corporation's non-exempt property to cash, and payment of creditors to the extent possible.

**Chapter 11 bankruptcy:** Chapter 11 is called a reorganization because it is designed to allow for an orderly payment to creditors that enable a corporation to continue.

**Chapter 13 bankruptcy:** Chapter 13 is used to reorganize personal or non-corporate debt. A plan is submitted to a judge for paying off all or nearly all of the debt over a specified period of time.

**Fair Debt Collection Practices Act:** Requires that the person who owes a debt receive written notice.

**Foreclosure:** Foreclosure is a legal proceeding filed in court whereby a party with a claim against an owner can claim ownership of the unit involved in order to recover the money it is owed. The unit is usually auctioned by the court and sold to the highest bidder.

### **Knowledge Area 3: Budgets, Reserves, Investments, and Assessments**

**Lien:** A lien is a legal claim by one party (community association) on the property of another (delinquent owner) to obtain the payment of a debt or the satisfaction of an obligation. Placing a lien on an owner's property protects the community association's interests.

**Personal money judgment:** A decision by a judge to allow the community association to claim the owner's personal property to settle a delinquent account.

#### ***Key Terms (Financial Statements, Audits, Income Taxes & Investments)***

**Accrual basis of accounting:** This method records income when it is earned (or assessed to owners) and expenses when they are incurred or acquired.

**Assets:** Assets include anything owned that has value. Unlike commercial businesses, however, the actual land and buildings of the community association are not generally shown as an asset.

**Audit:** An examination of the accounting records and procedures of an organization by a CPA for the purpose of verifying the accuracy and completeness of financial records.

**Balance sheet:** A balance sheet is a summary of a community's financial position at a specific point in time.

**Cash basis of accounting:** This method records income when it is collected and expenses when they are paid.

**Certificate of deposit:** When a CD is reinvested together with its accumulated interest, the ultimate yield will be higher than the stated rate of interest.

**Commercial reporting method:** Combines operating and reserve activities in the same column, as opposed to fund reporting, which consists of preparing separate columns for operating, reserve and any special funds.

**Compilation:** A presentation of financial statements by a CPA without the assurance that the information conforms to GAAP.

**CPA:** Certified Public Accountant is an accountant who has passed certain examinations and met statutory and licensing requirements of a US state.

**Engagement letter:** When your community hires a CPA, he or she will send an engagement letter. An engagement letter describes the nature of the work to be done, type of report to be prepared, fee for services and time frame for the assignment.

**FDIC:** Federal Deposit Insurance Corporation, a government agency that guarantees investors' deposits in member institutions.

**Fund reporting method:** Consists of preparing separate columns for operating, reserve, and any special funds.

**GAAP:** Generally Accepted Accounting Principles. Their purpose is to provide uniformity among reports from different organizations.

## **Knowledge Area 3: Budgets, Reserves, Investments, and Assessments**

**Investments:** Investments involve the purchase of anything with money value for the purpose of generating additional money over time (e.g. savings accounts, certificates of deposit, U.S. Treasury securities and stocks).

**Investment yield:** Yield is simply the return received on the investment.

**Liabilities:** Liabilities consist of what is owed to others or collected in advance (e.g. owner assessments received prior to the billed month).

**Members' equity:** Members' equity is called the fund balance under the fund method of reporting. It equals the difference between the community association's assets and liabilities.

**Modified cash basis of accounting:** This method records income and expenses on a cash basis with selected items recorded on an accrual basis. Modified cash varies in format depending on the number of items accrued.

**Net income:** Net income is the amount left after deducting expenses from income.

**Net loss:** A net loss occurs when expenses are greater than income.

**Notes to financial statements:** The notes accompany the CPA-prepared financial statements. These footnotes provide additional information to help the reader understand the community association's financial situation.

**Representation letter:** A letter from the CPA that states that the information the community association provides is true to the best of its knowledge.

**Statement of cash flows:** This is a summary of the flow of funds into and out of the community association. Summaries are prepared for normal operations, investment activities, and any borrowing activities.

**Statement of income and expense:** This report records the community association's financial transactions *during a given period of time*—generally for a given month plus the fiscal year to date. It is a way to keep track of the community's financial activity.

**Treasury bills:** Treasury bills are short-term instruments that mature in 13, 26, or 52 week periods. They are issued in minimum denominations of \$10,000. Anything larger must be in \$5,000 increments. As soon as one is purchased, the buyer receives the promised earnings. Then, when the bill matures, the buyer receives the face value (value indicated in the wording of the T-bill).

**Treasury bonds:** Treasury notes mature in one to 10 years. Treasury bonds mature in more than 10 years. Both notes and bonds are issued in denominations from \$1,000 to \$100,000. They are also interest-bearing with interest paid every six months. When the note or bond matures, the buyer receives the full face value.

# Knowledge Area 4: Financial Controls (12%)

This section comprises approximately 12% of your test. That means to expect about 14 questions, with around 22 minutes allotted to answer those questions.

## **Topics covered:**

1. Purpose of financial reports (e.g., general ledger, variance, accounts payable, income statement and balance sheet)
2. Methods for safeguarding association funds
3. Methods for determining the financial health of a community association
4. Cash flow management
5. Differences between cash, accrual and modified accrual basis accounting methods
6. Auditor statements of cash flows, notes to the financial statements and purpose of the auditor's management letter
7. Components of and the difference between audit, review and compilation
8. Federal, state and local tax filing responsibilities and filing options for community associations
9. Fund reporting accounting method
10. Basic principles of GAAP
11. Types of financial controls

## **Tasks associated with this knowledge area:**

1. Analyze trends when preparing the budget
2. Develop and update a multi-year expense and reserve projection, seeking professional assistance as necessary
3. Identify methods of funding for reserve requirements
4. Maintain the community association's financial records in accordance with GAAP
5. Develop and implement internal control procedures
6. Develop/establish effective accounts payable procedures
7. Disburse association funds in a timely manner, as authorized
8. Document all transfers of funds
9. Prepare regularly scheduled financial statements and reports
10. Analyze the financial statements and reports, and report significant variances to the board
11. Execute investment policies developed by the board
12. Identify independent accounting practitioners for association use
13. Provide independent auditor and/or accountant with association's financial records, as needed

**Key Terms** (see Knowledge Area 3: Budgets, Reserves, Investments and Assessments)

# Knowledge Area 5: Risk Management and Insurance (10%)

This section comprises approximately 10% of your test. That means to expect about 12 questions, with around 18 minutes allotted to answer those questions.

## Topics covered:

1. Various types of standard and supplemental coverages, endorsements and exclusions (e.g., directors' and officers' liability, fidelity, wind, flood, earthquake, DIC, umbrella, and workers' compensation)
2. Risk management issues and techniques relating to property, liability, monetary and personnel exposures to loss
3. Insurance requirements for contractors and consultants
4. Source for community association insurance requirements
5. Distinction between community association and owner insurance coverage
6. Insurance claims process
7. Components of an insurance contract
8. Use of coinsurance and deductibles
9. Relationship between insurance premiums, claims and deductibles

## Tasks associated with this knowledge area:

1. Respond to resident/owner inquiries
2. Identify the exposure of potential loss
3. Recommend professional risk management and insurance professionals
4. Develop and implement risk management techniques
5. Develop and implement safety programs
6. Develop and implement disaster plans
7. Maintain in force insurance coverages (e.g., casualty, fidelity, liability, and property) in accordance with governing documents, statutes and board policy
8. Document, submit,\ and coordinate insurance claims

## Key Terms

**Actual cash value (ACV):** The depreciated value of an item.

**Advertising injury:** Advertising injury provisions in CGL (comprehensive general liability) include language providing coverage to the community association with respect to damages resulting in "misappropriation of advertising ideas or style of doing business" or "infringement of copyright, slogan or title."

**Agreed amount endorsement:** Provides for an agreed upon limit of property insurance.

**Coinurance:** Coinsurance is a standard element in most property policies that obligates the insured to maintain a certain limit of property insurance based on a stated percentage.

**Common declarations:** This section of the policy is like the title page of a book. It typically includes such information as the name and address of the insured and the period of coverage.

**Common policy conditions:** These are the basic provisions that apply to all insurance coverages in the package. For example, when to file proof of a loss or what happens when a premium is not paid.

## **Knowledge Area 5: Risk Management & Insurance**

**Contingent liability:** Covers the value of any undamaged portion of a building which may have to be replaced because of building laws.

**Contractual transfers:** This involves entering into a contract that will, among other things, transfer the community association's legal responsibility for any loss.

**Cross liability:** Cross liability allows an owner to bring a claim against his or her community association. This coverage is in the owner's interest. It is standard for owners to be insured in liability insurance for condominiums and cooperatives, while planned communities must see to it that this concept is present in their liability coverage.

**Directors and officers liability insurance:** This insurance is designed to pay for damages arising from wrongful acts that do not lead to property damage, bodily injury, advertising injury, or personal injury.

**Direct writer system of insurance:** Comprised of employees of a single insurance company who only place the insurance of that company.

**Electronic data processing (EDP):** This insurance may be needed for computer equipment, networks, websites, security systems, protection from hackers, and similar information technology exposures.

**Endorsements:** Endorsements expand, contract or clarify coverage.

**Exposure avoidance:** This involves avoiding the circumstances that would expose the community association to certain type of loss.

**Extra demolition:** Covers the value of demolishing any undamaged portion of a building.

**Fidelity insurance:** This insurance protects against employee dishonesty which may lead to the theft of money, securities, or property.

**HO-1, -2, -3, -4, -5, -6 policies:** HO-1, HO-2, HO-3, and HO-5 refer to policies for owner-occupied units. HO-4 is a tenant's policy. HO-6 is a policy for a condominium or cooperative unit owner.

**Liability exposure to loss:** Liability losses arise when a person or entity threatens or actually brings a legal claim against the community association, its members or others whom it must indemnify by contract (such as a management company).

**Personal injury (PI):** Injury arising from libel, slander, false arrest, invasion of privacy, wrongful entry, or malicious prosecution.

**Personal property:** Inventory, furniture, fine arts, equipment, supplies, machinery, electronic data processing (EDP), and valuable papers and records.

**Policy forms:** Policy forms define the type of insurance coverage provided, for example, property, liability and boiler and machinery. The forms also define how comprehensive each type of coverage is—what is included and what is excluded.

## **Knowledge Area 5: Risk Management & Insurance**

**Property exposure to loss:** Property losses can be to tangible community association property (buildings and contents) or to intangible association property (information, proprietary Web site, etc.).

**Real property:** Real property includes buildings, land, and the newest type of property exposure.

**Risk financing:** The process of obtaining resources to pay for any financial consequences of accidental loss.

**Segregation of exposure:** Segregation of exposures involves the duplication or separation of property exposures to loss.

**Third-party insurance:** Liability coverage purchased by an insured (the first party) from an insurer (the second party) for protection against claims of another (third party).

**Waiver of subrogation:** The insurer waives its right to require the association to transfer recovery rights to the insurer regarding unit owners.

# Knowledge Area 6: Property Maintenance (8%)

This section comprises approximately 8% of your test. That means to expect about 10 questions, with around 14 minutes allotted to answer those questions.

## Topics covered:

1. Maintenance responsibilities between the community association and the owners
2. Basic maintenance for the property, physical plant, operations and systems
3. Types of maintenance programs, the steps in establishing one and the necessary controls of these programs
4. Control procedures for protecting physical assets (e.g., key and access control)
5. Laws and regulations pertaining to environmental issues (e.g., recycling, pesticides, herbicides and chemical storage)

## Tasks associated with this knowledge area:

1. Respond to resident/owner inquiries
2. Educate and advise the board of its role and responsibilities
3. Negotiate service contracts
4. Identify the physical assets the community association must maintain
5. Inspect the physical assets to be maintained
6. Prepare and submit to the board a physical inspection report
7. Provide maintenance recommendations to the board
8. Develop, establish and implement systems and controls to ensure maintenance needs are documented and completed
9. Implement maintenance, repair and replacement programs and directives from the board
10. Develop and implement preventive maintenance policies
11. Develop and implement an emergency maintenance program
12. Receive, clarify and respond to maintenance requests from owners

## Key Terms

**Emergency services maintenance:** This is the ability to respond to unpredictable problems (for example, sewer backups, slope failures, roof leaks and frozen pipes). The key to a successful response to an emergency is to anticipate the different possibilities—and to develop a plan for responding to each one.

**Facilities management:** The process of operating, maintaining, repairing, and replacing common property—that is, the common elements or areas.

**Inspection report:** An inspection report—commonly called a “punch list”—is a compilation of all the maintenance needs identified during an inspection.

**Maintenance contact sheet:** A useful management control to record various maintenance services and information needed in case of an emergency.

**Maintenance record:** While the maintenance calendar tells you when maintenance ought to be done, the record tells you when it actually was done.

## **Knowledge Area 6: Property Maintenance**

**Management control:** Any means used to track, record, remind or command attention; usually these means are forms or documents.

**Preventive maintenance:** This is periodic maintenance to avoid disruptive breakdowns and to prolong the useful life of the physical asset in question.

**Requested or corrective maintenance:** This is maintenance requested by an owner, a tenant, or the board—or identified during routine inspection of the property.

**Responsibility chart:** A management control you can use to keep track of who is responsible for the maintenance of various property elements or areas.

**Scheduled replacement:** This consists of replacing physical assets as they wear out or break. Scheduled replacement is considered a part of maintenance because it addresses the useful life of a physical asset.

**Work order/response form:** A work order is a form for assigning work to be done in any one of the five maintenance programs described earlier.

# Knowledge Area 7: Contracting (14%)

This section comprises approximately 14% of your test. That means to expect about 17 questions, with around 25 minutes allotted to answer those questions.

## Topics covered:

1. Steps involved in negotiating contracts and key contract provisions, including knowledge of labor, materials and performance bonds
2. How to prepare a bid request and the steps involved in evaluating bids
3. Criteria for deciding whether to contract work out or use association staff
4. Methods for resolving contract disputes (e.g., mediation, arbitration, alternative dispute resolution and litigation)
5. Duties, responsibilities and limitations detailed in the professional management agreement
6. Contractor compliance with contract terms related to deposits, progress payments, retention and final payments
7. Types and basic components of contracts

## Tasks associated with this knowledge area:

1. Prepare and submit an information package concerning competitive bids to the board
2. Ensure preparation of bid specifications and requests for proposals
3. Identify qualified contractors
4. Negotiate service contracts
5. Coordinate the negotiation of contract terms by the association's attorney when appropriate
6. Review a contract for key elements (e.g., parties, scope of work, and compensation)
7. Ensure legal counsel reviews contract prior to signature/award when appropriate
8. Ensure compliance with local ordinances prior to commencement of contracted work
9. Evaluate performance under a routine contract
10. Seek interpretation of and invoke contract warranties as necessary

## Key Terms

**Assignability provision:** This provision states that neither party may assign its obligations under the contract to any other person without the express written consent of the other party.

**Bid request:** Also known as request for proposal (RFP). An announcement that an organization is interested in receiving proposals for a particular project.

**Bid specifications:** Detailed instructions about the products or services requested through the bid request. All contract terms should be included in the bid request.

**Contract:** A contract is an agreement between two or more parties—enforceable by law—by which each party promises to do, or not to do, something.

**Default:** Failure of either party to fulfill the terms of the contract.

**Entire obligation provision:** This provision states that the written, signed contract constitutes the entire agreement between the parties.

## **Knowledge Area 7: Contracting**

**Governing law provision:** This provision states that the law of a particular state will be applied if there are any disputes about the contract after it is signed. This is particularly useful when the community association and the contractor are based in different states.

**Modification provision:** This provision states that the contract may not be modified in any way unless such modification is written and signed by both parties.

**Payment bond:** This bond comes in a package with the performance bond. The surety guarantees that the contractor's suppliers and any subcontractors will be paid if the contractor does not pay them.

**Performance bond:** This is a guarantee by a surety (a third party) to protect the community association if the contractor fails to perform or finish the work. Because there is a cost to the community association involved, a performance bond typically is used with certain large projects.

**Progress payments:** Partial payments based on some demonstrable progress in completing the work involved.

**Prospective bidder's questionnaire:** Also known as qualification sheet. This is a document that asks for certain types of information to determine if the bidder is technically and financially qualified to handle a job of this scope.

**Qualification sheet:** Also known as prospective bidder's questionnaire. This is a document that asks for certain types of information to determine if the bidder is technically and financially qualified to handle a job of this scope.

**Request for proposal (RFP):** Also known as bid request. An announcement that an organization is interested in receiving proposals for a particular project.

**Severability provision:** This provision states that if a court finds that any clause of the contract is illegal or unenforceable, that clause shall be severed (separated) from the rest of the contract, so that the whole contract need not be invalidated.

**Waiver of lien:** A document which gives up the right to make a claim against the community association for payments not received.

**Waiver provision:** This provision states that a waiver (permission) by one party of any breach of contract (failure to fulfill a provision) by the other party shall not act as a general waiver of future breaches.

**Warranty:** A warranty should state what is covered, for how long, and what the contractor will do if the work or product proves defective.

# Knowledge Area 8: Human Resources Management (8%)

This section comprises approximately 8% of your test. That means to expect about 10 questions, with around 14 minutes allotted to answer those questions.

## Topics covered:

1. Applicable statutes and regulations pertaining to personnel issues (e.g., compensation and payroll, occupational safety and health statutes, and employees' records)
2. Value of written personnel policies and procedures
3. Basic process for recruiting, screening, selecting, evaluating, disciplining, and dismissing employees
4. Value of having written job descriptions for each member of the community association staff
5. Employee orientation, initial job training, ongoing training techniques, and basic principles of supervision

## Tasks associated with this knowledge area:

1. Develop and implement personnel policies (which are in compliance with federal, state, and local laws)
2. Develop and update job descriptions for association staff
3. Implement the recruiting, selecting, hiring, and firing processes for association staff
4. Supervise the community association's employees
5. Establish employee performance objectives, evaluate work performance, and conduct periodic reviews with employees
6. Maintain and properly retain individual employee files

## Key Terms

**Employee handbook:** Also known as a personnel manual. The employee handbook summarizes company behavior requirements, outlines benefits offered and also gives tools that can be used to enforce disciplinary action if needed. Employers design handbooks to answer employees' questions before employees ask them and to advise them on company policies that an employee might have never considered.

**Employment at will:** This is a statement to the effect that the community association retains the right to dismiss an employee without cause at any time.

**FICA:** Federal Insurance Contributions Act. This act requires employers and employees to make matching contributions to Social Security. The employer must withhold the employee's share of the tax from his or her wages or salary.

**FLSA:** Fair Labor Standards Act. This act addresses minimum wage requirements, maximum hours of work and overtime pay.

**Job description:** A job description is a specific description of the required duties of a position, skills and knowledge necessary to perform required duties, and reporting relationships of the position.

**OSHA: Occupational Safety and Health Administration:** The agency responsible for promulgating rules, setting health and safety standards, and overseeing enforcement, whether by direct federal effort or by relying on state enforcement programs.

## **Knowledge Area 8: Human Resources Management**

**Performance evaluation:** The process of reviewing a person's work performance to determine the extent to which his/her established goals and standards have been met.

**Performance goals:** Those regular and special tasks management expects an employee to perform during a certain time period.

**Performance planning:** Performance planning is the process of establishing performance goals and standards for an employee.

**Performance standards:** A description of the results management expects an employee to accomplish during a certain time period. They are reflected in the criteria used for performance evaluation.

**Personnel manual:** Also known as employee handbook. The personnel manual summarizes company behavior requirements, outlines benefits offered and also gives tools that can be used to enforce disciplinary action if needed. Employers design handbooks to answer employees' questions before employees ask them and to advise them on company policies that an employee might have never considered.

**Progressive discipline system:** A procedure whereby performance problems are brought to the employee's attention and the employee and employer take appropriate actions to correct them.

## **SECTION III**

### The CMCA Examination

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# DEVELOPING THE CMCA EXAMINATION

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## Overview of the Process of Developing the Examination

The CMCA Examination is a nationally developed standardized examination which has been validated by a recognized professional testing firm, approved by the NBC-CAM Board, and administered by an independent, recognized testing agency (HumRRO).

The CMCA Examination is developed under national guidelines by the National Organization of Competency Assurance (NOCA) ([www.noca.org](http://www.noca.org)). NBC-CAM utilizes a psychometric approach to developing the examination questions and evaluating the performance of individual test takers. We use subject matter experts to develop questions in a way that measures the applied knowledge of the test taker on the topic areas outlined within community association management. The standard approach to adult certification examinations is to develop four answers; three that are incorrect and one that is correct. However, one of the three incorrect answers is designed to be a “distracter” from the right answer. The distracter will be an incorrect answer, but it is intended to get the test taker to demonstrate that they have applied knowledge as opposed to concrete knowledge.

The contents of the examination are based on a study of related job requirements. In 2006, NBC-CAM completed an update to the 1995 occupational analysis. The occupational analysis study identified 114 relevant tasks organized into seven categories: Association Administration, Community Governance, Financial Management, Risk Management and Insurance, Facilities Management, Human Resource Management, and Communications Management. It also identified 72 knowledges that are required for successful performance of the tasks. These knowledges were organized into eight content areas.

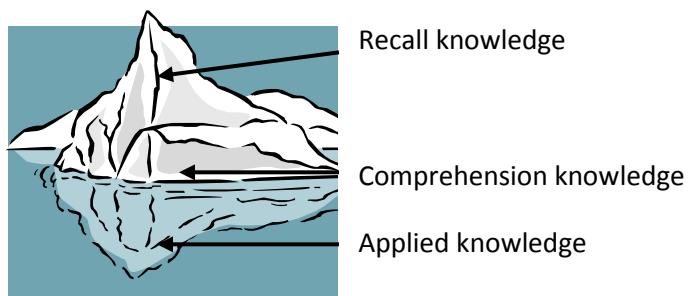
In addition to the 100 scored test items, each CMCA Examination includes 20 items that are included on an experimental basis. These “pilot test” items are new or substantially revised items that we want to test before incorporating them on new versions of the test as operational (e.g., scored) items.

## Level of Knowledge Measured in the CMCA Examination

There are categories in the cognitive domain that can be tapped by utilizing multiple approaches to test items. The categories include: knowledge, comprehension, application, analysis, synthesis, and evaluation.

### *Iceberg Analogy*

The broad levels of knowledge are best described as recall (concrete) knowledge, comprehension knowledge, and applied (comprehension, application) knowledge. These levels are defined below and illustrated through examples.



The CMCA Examination focuses on items that reflect knowledge “below the surface” – applied knowledge.

#### **Categories in the Cognitive Domain**

1. **Concrete:** Knowledge of terminology; specific facts; ways and means of dealing with specifics (conventions, trends and sequences, classifications and categories, criteria, and methodology); universals and abstractions in a field (principles and generalizations, theories and structures). Concrete knowledge is defined as the remembering (recalling) of appropriate, previously learned information.
2. **Comprehension:** Grasping (understanding) the meaning of informational materials.
3. **Application:** The use of previously learned information in new and concrete situations to solve problems that have a **single** answer.
4. **Analysis:** The breaking down of information materials into their component parts, examining (and trying to understand the organizational structure of) such information to develop divergent conclusions **by** identifying motives or causes, making inferences and/or finding evidence to support generalizations.
5. **Evaluation:** Judging the value of material based on personal values/opinions, resulting in an end product, with a given purpose, without real right or wrong answers.

# TAKING THE CMCA EXAMINATION

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## About the CMCA Examination

### **CMCA Qualifications:**

To qualify to become a CMCA certificant, a manager must:

- Be a community association manager or be active in the community association profession.
- Successfully complete a prerequisite course on community association management OR have five years experience as a community association manager.
- Pass the CMCA Examination.
- Agree to adhere to strict Standards of Professional.
- Agree to comply with continuing education requirements.

## Examination Formats

**Computer-Based Examination:** The computer-based exam offers more exam dates and locations and gives instant test results to candidates. To take the CMCA Examination via computer, please sign up for the exam by checking CBT on the CMCA application. Once it is determined that you are eligible to take the examination, an Authorization to Test (ATT) will be mailed to you. The ATT includes the dates you will be eligible to take the examination as well as your test authorization number and an expiration date. Your application will have been approved for the next two computer-based testing cycles from the date of your letter. You may take the exam any day and time in the month of the two testing cycles. If you do not take your examination within the two cycles, your testing fee and application will be forfeited. You must have your ATT before you schedule an appointment to take the examination. Immediately after you complete the exam, you will be given your results.

**Scheduling Your Examination for Computer-Based Testing:** Your ATT will indicate the time frame within which you may schedule your appointment. Once you receive your ATT, you may schedule an appointment to test at any time during your eligible time period in the months of January – Mar, April – June, July – September, or October - December. Appointments are made on a first-come, first-serve basis.

You should schedule your appointment as soon as you receive your ATT. Even if you do not want to test immediately, it is better to schedule early. If you wait to schedule your appointment until your ATT is close to expiring, an appointment may not be available prior to the expiration date. If this occurs, you will forfeit your testing fee.

You cannot make a testing appointment until you receive your ATT. You may schedule an appointment with LaserGrade Centers by calling registrations at 800.211.2754. To find one of the 1,000 locations nearest you, visit <http://www.lasergrade.com/psi-locate.shtml>, enter your zip code, and select the “National Board of Certification for Community Association Managers (NBC-CAM)” from the examination list.

**What to Take to the Testing Center** You must have proper identification to be admitted to the test administration room. You may not take books, papers, or other reference materials into the test administration room. Breaks are considered part of your examination time. You may request a break whenever you wish, but will not be allowed additional make-up time. Leaving the testing site without authorization automatically voids the examination. You may not eat, drink, or smoke in the testing site.

## Taking the CMCA Examination

**LaserGrade:** If you need to reschedule your computer based-testing (CBT) appointment, you must contact your LaserGrade testing center no later than noon Eastern Time, of the third business day prior to your scheduled appointment. Leaving a message on an answering machine is not an acceptable method of canceling or rescheduling your appointment.

If you fail to arrive for your appointment or cancel without giving the required notice, you will forfeit your testing fee. Identification Requirements: The identification (ID) requirements to be admitted to your proctor or testing center consist of a primary form of ID that contains both your signature and a recent photograph of you. The printed name on your ID must be the same as the name that appears on your registration form. Acceptable forms of primary identification are (photo and signature mandatory) a valid driver's license with photo and valid state/province ID card with photo or a passport. Without proper identification, you will not be admitted to take the examination. There will be no refund of your testing fee.

**Examination Results:** The test center administrator will give you a brief orientation/overview on the workstation. The examination software includes a calculator, a timer and a question counter. You will also have the ability to skip questions and return at a later time. When you have finished with your examination, the test administrator will release your grade to you. Candidates who successfully complete the examination will receive confirmation and the CMCA certificate within four to six weeks via mail.

**Fees for the Computer-Based Examination:** The cost of the computer-based exam is \$300 (standard fee of \$250 plus a \$50 electronic service fee) which covers the application fee, exam, your first year of certification and issues of Upward Directions, the CMCA e-newsletter. If a candidate does not pass the exam, they are given the opportunity to re-take the exam as early as the next exam date. Candidates must complete and submit the Retest Application and submit the examination fee. The fee is \$250 for a computer-based exam retest.

**Paper and Pencil Examination:** You may choose to take the exam via the standard paper and pencil format at one of the pre-determined locations by selecting paper/pencil on the CMCA application. Candidates will receive paper and pencil test results within four to six weeks after taking the exam. Results include a feedback sheet showing the percentage of items answered correctly. Paper and pencil examinations are offered times a year, once in March, once during the National Conference, and once in September.

**Fees for Paper and Pencil:** The examination fee is \$250 and is nonrefundable. Candidates who need to retake the exam must resubmit a Retest Application and a \$200 retake fee. There is no limit on the number of times a candidate may take the examination.

**Confirmation Approval:** Once it is determined that you are eligible to take the CMCA Examination, a confirmation letter of approval will be mailed to you within four to six weeks of your submitted application. Contact the listed proctor on your confirmation letter to confirm testing location and time. If you fail to confirm with your proctor the time and location of your examination, and you miss the appointment, your application/testing fees will be forfeited.

**What to take to the Testing Site:** Please see the above discussion in the computer-based section.

## Taking the CMCA Examination

**Score Reporting:** The paper and pencil examinations are electronically scored by the HumRRO. All candidates will receive a score report of their performance. Examination results are mailed to candidates approximately four to six weeks after the examination administration. In reporting the examination results to candidates, statistical procedures are used to convert raw scores (e.g., the number of test questions answered correctly) to scaled scores which are equivalent for all administrations of the examination(s). The scaled score is not a “number answered correctly” score. Candidate scores cannot be given via telephone, email or fax.

**Exam Scoring:** The CMCA Examinations are criterion-referenced examinations; e.g., the passing score is set beforehand, and candidate performance on the examination is not compared to the performance of others taking the examination. In a criterion-referenced examination, a candidate must obtain a score equal to or higher than the “passing score” to pass the test.

**Hand-Score Requests:** Candidates who fail the CMCA Examination may appeal their results by sending a written request to have their exam hand-scored within thirty days. The results of the hand-scoring will be sent to the candidate within thirty days of receipt of the request. There is no charge for hand-scoring. Requests should be submitted to NBC-CAM via email, fax or U.S. mail.

**Cancelled Scores:** NBC-CAM is responsible for the integrity of the scores they report. On occasion, occurrences such as computer malfunction or misconduct by a candidate may cause a score to be suspect. NBC-CAM is committed to rectifying such occurrences as quickly as possible. NBC-CAM may void examination results if investigation shows its regulations have been violated.

**Information Release Policy:** NBC-CAM will not release any information regarding a candidate’s examination application and a candidate’s examination administration to any employer, regulatory agency or any other person or entity unless the candidate requests it in writing.

**Refunds and Withdrawals:** The exam fees are nonrefundable. There is no limit on the number of times a candidate may take the exam. If you wish to change your testing date or location or withdraw from the examination within two weeks of the test date, a \$50 administrative penalty fee will be applied. A written notification must be received for any request for refunds, rescheduling, or withdrawals.

**Security Measures:** Be aware that you will be observed at all times while taking the examination. This observation may include direct observation by test proctors or testing center staff. Examinations cannot be viewed, copied or studied by any individuals. Copying or retaining test questions or transmitting the test questions in any form to other individuals, organizations or study groups will result in forfeiting your right to have your examination graded and may result in disciplinary action by the board.

**Requesting Special Testing Accommodations:** NBC-CAM abides by all applicable federal and state statutes relating to the accommodation of disabled individuals. All requests for special accommodations must be submitted in writing along with the submission of the application. Testing accommodations for candidates with disabilities will be made only with the authorization of the board. Candidates who have requested special testing accommodations from the board should not schedule an appointment to take the examination until receiving written confirmation of the accommodations.

**If the Test Site is Closed:** If you are unsure whether a test site is closed because of inclement weather or some other factor, you should contact the testing center or proctor directly. If the site is closed, you will be given the opportunity to reschedule the appointment at no additional cost.

# SAMPLE CMCA EXAMINATION QUESTIONS

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The CMCA Examination assesses your recall of knowledge and application of knowledge with multiple-choice questions designed to test a higher level of cognitive knowledge. The following are sample questions.

- 1. Quorum requirements conflicts are resolved by:**
  - a. state statute.
  - b. the board of directors.
  - c. a vote of those present at a meeting.
  - d. appointment of a person as a proxy.
  
- 2. Fidelity insurance provides coverage to ensure that the:**
  - a. board will meet its fiduciary obligations.
  - b. manager will faithfully follow all document provisions.
  - c. deductible in the association's insurance policies is reimbursed.
  - d. association will be covered for shortfalls in the reserve accounts.
  - e. association will recover any funds lost through employee dishonesty.
  
- 3. Which type of management is the process of operating, maintaining, repairing, and replacing common property?**
  - a. Human Resources
  - b. Facilities
  - c. Financial
  - d. Risk
  
- 4. The higher a document's place in the hierarchy, the:**
  - a. harder it is to implement.
  - b. greater its power with the board.
  - c. more it is regulated legally.
  - d. greater its legal weight in a court of law.
  
- 5. Based on which type of requirements would you choose a contractor over the association to complete work?**
  - a. Low urgency, costs adequate tools available
  - b. High urgency, low supervision and training possibly needed
  - c. Requires supervision, expertise required and low urgency
  - d. Low Costs, high urgency and borrowed tools
  
- 6. Who is required to be present for an annual association membership meeting to conduct business?**
  - a. The treasurer and the secretary
  - b. A quorum of the board of directors
  - c. All members of the board of directors
  - d. A quorum of the members
  
- 7. Which of the following would a condominium unit member's personal insurance policy cover when it is the primary insurance policy?**
  - a. Wind damage to the roof of the member's unit.

- b. Bodily injury due to a slip and fall in the common area in front of the member's unit.
  - c. Bodily injury due to the association using the member's automobile.
  - d. Bodily injury due to a slip and fall within a member's unit.
  - e. Fire damage to the association's unimproved common walls.
- 8. Community association governing documents and state statutes may require who to be involved in preparing annual reports?**
- a. A CPA
  - b. The owners
  - c. An ad hoc committee
  - d. The management company
- 9. What is a typical management control used to identify physical assets?**
- a. Checklist
  - b. Charts of information
  - c. Inventory
  - d. Calendar or schedule
- 10. When a contractor fails to perform to the terms of the contract, which provision in the contract allows the association to terminate?**
- a. Default provisions
  - b. Warranty provisions
  - c. Insurance provisions
  - d. Performance provisions
- 11. Where can an individual find the owner and association's maintenance responsibilities?**
- a. The plat map
  - b. The declaration
  - c. The state statute
  - d. The lease
- 12. At the monthly board meeting, it is the role of the manager to do all of the following except:**
- a. implement the decisions of the board.
  - b. call for a vote on an issue.
  - c. keep discussions on target.
  - d. act as a resource to the board.
- 13. All of the following are goals of maintenance in a community association except:**
- a. meeting the needs of the residents.
  - b. preserving and enhancing the common property.
  - c. limiting injury to residents, guests and employees.
  - d. increasing the association's profits.

- 14.** **The use of parliamentary procedure during meetings helps to ensure that:**
- a. quorum requirements are met.
  - b. only effective motions are made.
  - c. the board considers one item of business at a time.
  - d. the presiding officer is knowledgeable of meeting procedures.
- 15.** **GAAP requires statements of \_\_\_\_\_ for year-end reports for a community association.**
- a. cash flows
  - b. auditing
  - c. compilation
  - d. budgeting
- 16.** **When developing a rule, the rule must be capable of:**
- a. uniform enforcement.
  - b. modifications and revisions.
  - c. limited interpretations.
  - d. selective enforcement.
- 17.** **If you prepare a maintenance responsibility chart for your community association, it must be based on all of the following except:**
- a. bylaws and declaration.
  - b. board policies.
  - c. state statutes.
  - d. human resource policy.
- 18.** **Who is responsible for selecting a contractor?**
- a. Board
  - b. President
  - c. Manager
  - d. Owners/residents
- 19.** **A manager must take into consideration all of the following Federal laws during the hiring process, except the:**
- a. Americans With Disabilities Act of 1990.
  - b. Immigration Reform and Control Act of 1986.
  - c. Housing and Urban Recovery Act of 1983.
  - d. Family and Medical Leave Act of 1993.
- 20.** **Which of the following government agencies regulates employee compensation or payment?**
- a. FDIC
  - b. FICA
  - c. OSHA
  - d. None of the Above
- 21.** **A legally binding contract should include all of the following provisions except:**
- a. assignability.
  - b. waiver.
  - c. insurance.
  - d. severability.

- 22.** If a physical asset is to be replaced, the basis for an association's scheduled replacement consists of the:
- reserve study and replacement fund budget
  - maintenance record and inspection report
  - inspection checklist and reserve fund budget
  - inspection report and analysis sheet
- 23.** A closed board meeting may also be referred to as a:
- private session.
  - board session.
  - executive session.
  - committee session.
- 24.** All of the following are types of association meetings except:
- special meetings.
  - annual meetings.
  - ad hoc meetings.
  - owner meetings.
- 25.** A useful management control to record various maintenance services and information needed in case of an emergency is a maintenance:
- responsibility chart.
  - analysis sheet.
  - request form.
  - contact sheet.
- 26.** All of the following are key contract provisions except:
- standards of performance.
  - job site safety requirements.
  - manner in which payments are made.
  - contractor's phone numbers.
- 27.** It is good practice for an association to include a disclaimer in its employee manual stating that:
- employment is based on experience and references.
  - it is not an implied contract or promise of employment.
  - employment may include a background check.
  - the association is not responsible for any possible injuries on the job.
- 28.** To get needed maintenance work performed, a manager must organize the maintenance work into basic categories and:
- pay all invoices when presented.
  - create controls for ensuring that the work will be completed.
  - get at least five bids for work over \$1,000.
  - have the board inspect the work.

- 29. Upon receipt of a proper petition to call a special meeting, what should the manager do?**
- a. Arrange a meeting with counsel
  - b. Advise the board to address it at the next scheduled meeting
  - c. Advise the board of its duty to respond in a timely manner
  - d. Set up a special meeting location
- 30. All of the following are basic types of contracts except:**
- a. service contracts.
  - b. repair contracts.
  - c. preventative maintenance contracts.
  - d. architecture contracts.
- 31. A \_\_\_\_\_ is a procedure whereby performance problems are brought to the employee's attention and actions are taken to correct them.**
- a. employment model
  - b. progressive discipline system
  - c. employee training program
  - d. continuous improvement program
- 32. All the following are criteria to be considered when recommending a contractor to the board except:**
- a. understanding of what needs to be done.
  - b. possession the necessary qualifications to do the job.
  - c. price.
  - d. timeframe.
- 33. What authority creates the right to vote by proxy?**
- a. Association rules and regulations
  - b. State statutes
  - c. Common law
  - d. Owner's rights
- 34. Periodic maintenance performed to avoid disruptive breakdowns and to prolong the useful life of a physical asset is considered:**
- a. routine maintenance.
  - b. requested maintenance.
  - c. emergency services maintenance.
  - d. preventive maintenance.
- 35. Before the commencement of any services and repairs, the association should:**
- a. survey the owners/tenants to see if services are necessary.
  - b. ask the board to suggest what to do next.
  - c. raise assessments to pay for work.
  - d. compare three or more bids.

- 36. All of the following are true with respect to cumulative voting except:**
- a. many people perceive it as ballot box stuffing
  - b. it allows owners to cast all of their available votes for one person
  - c. the association can amend the governing documents to prohibit it
  - d. it helps establish a quorum
- 37. Preparing for a board meeting includes an agenda with:**
- a. the vice-president's report.
  - b. minutes of the previous meeting.
  - c. items to be addressed and voted on.
  - d. introductions of the board and manager.
- 38. A \_\_\_\_\_ contract covers the costs of all labor and materials.**
- a. cost and fees
  - b. repair service
  - c. lump sum
  - d. time and materials
- 39. Your community association should have established dismissal policies and procedures in its:**
- a. performance evaluation program.
  - b. interview process.
  - c. employee handbook.
  - d. employment records and files.
- 40. A community association wants to develop a RFP to repair or replace roofs of properties that were damaged in a recent storm. Who should prepare the extensive specifications for the job?**
- a. Board members
  - b. Association manager
  - c. Third-party expert
  - d. Possible contractor
- 41. Annual meetings are intended to provide a forum:**
- a. in which owners expand their power.
  - b. for all business, elections and reports stated.
  - c. for owners to decide special issues.
  - d. to allow the board to take action at a special meeting.
- 42. Why should a written job description exist before you hire an individual for a position?**
- a. It will be easier to develop it with the person's help.
  - b. It can be revised and changed.
  - c. It has to be done for legal reasons.
  - d. It tells the person what is expected of the position.
- 43. A job description should include:**
- a. required duties of the position.
  - b. list of paydays and holidays.
  - c. salary and benefits.
  - d. reporting relationships.

- 44. What is an announcement that an organization is interested in receiving proposals for a particular project?**
- a. Bid specification
  - b. Bid request
  - c. Bid qualifications sheet
  - d. Bid statement of work
- 45. Who is entitled to vote when more than one person owns a unit or lot?**
- a. All owners are entitled and their vote is split.
  - b. All owners are entitled and each gets a vote.
  - c. Neither owner is entitled and they must have a proxy in order to vote.
  - d. Owners should vote in concert, with one owner designated to cast the vote.
- 46. The process of reviewing the extent to which a person has met established goals and standards is called:**
- a. progressive planning and enhancement
  - b. performance evaluation
  - c. improvement programming
  - d. the ten steps of highly effective people
- 47. Which of the following are detailed instructions about the products or services requested from a contractor?**
- a. Warranties
  - b. Bid specifications
  - c. Qualifications sheets
  - d. Payment bonds
- 48. More and more associations are employing \_\_\_\_\_ to attend annual or special meetings and to rule on all procedural questions.**
- a. certified lawyers
  - b. professional parliamentarians
  - c. certified negotiators
  - d. professional arbitrators
- 49. A cost and fees contract covers:**
- a. all contracted work fees after its been completed
  - b. a level of performance for a specific period of time and money
  - c. actual labor and materials costs and a percentage of profit
  - d. hourly rates, material costs and a percentage of the total costs
- 50. What is the process of establishing performance goals and standards for an employee?**
- a. Employee orientation to the association
  - b. On-going training
  - c. Performance planning
  - d. Performance evaluation

- 51. All of the following statements are correct with regards to special and annual meetings except:**
- a. both have to meet minimum quorum requirements set by the statute.
  - b. both require notice of meeting to be sent to all owners within time allotted.
  - c. both provide a forum for business not stated in meeting notice.
  - d. both allow owners to attend in person or by proxy.
- 52. What is an aid commonly used for planning and budgeting the use of personnel?**
- a. Job description
  - b. Annual budget
  - c. Manpower reports
  - d. Performance planning
- 53. Which of the following sets forth criteria for the annual meeting, including notice, quorum, voting, and proxy procedures?**
- a. Articles of incorporation
  - b. Bylaws
  - c. State statutes
  - d. Parliamentary procedures
- 54. What initiated regulations such as specific working conditions, safety equipment and reporting of accidents?**
- a. Fair Labor Standards Act
  - b. Child labor laws
  - c. Worker's compensation laws
  - d. Occupational Safety and Health

# ANSWERS TO SAMPLE CMCA EXAMINATION QUESTIONS

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<u>Question #</u>	<u>Question Answer</u>	<u>Question #</u>	<u>Question Answer</u>
1	a	28	b
2	e	29	c
3	b	30	d
4	d	31	b
5	c	32	d
6	d	33	b
7	d	34	d
8	a	35	d
9	c	36	d
10	a	37	c
11	b	38	d
12	b	39	c
13	d	40	c
14	c	41	b
15	a	42	d
16	a	43	a
17	d	44	b
18	a	45	d
19	c	46	b
20	d	47	b
21	c	48	b
22	a	49	c
23	c	50	c
24	c	51	c
25	d	52	a
26	d	53	b
27	b	54	d

# RECOMMENDED READING MATERIALS

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1. **CAI's M-100 Course Material:** *The Essentials of Community Associations Management*, Second Edition. The course material offers readers basic information and the essentials of community association management. (Community Associations Institute, 2003.)
2. **Drafting Rules:** *How Community Associations Maintain Peace & Harmony*, First Edition, by Gurdon H. Buck. Presents a step-by-step process for drafting rules to which community association residents will adhere. (Community Associations Press, 2004.)
3. **Bids and Contracts**, Third Edition, by Stephen Bupp, CMCA, AMS, PCAM. Provides readers with the information needed to write simple, effective specifications and contracts, ensuring that repairs or maintenance of common areas will go smoothly. It contains a 27-point Specifications Chart, a checklist that will prevent a manager from overlooking any aspect of the project, and adaptable samples of specs for a repainting project plus a bid for a preventive maintenance contract. (Community Association Press, 2004.)
4. **Meetings & Election:** *How Community Associations Exercise Democracy*, by P. Michael Nagle. Addresses all aspects of meeting procedures from giving notice of a meeting to conducting and controlling the meeting. Topics include quorums, ballots, voting, elections, nominations and proxies. (Community Associations Press, 2005.)
5. **Reserve Funds: How & Why Community Associations Invest Assets**, Mitchell H. Frumkin, P.E., P.P., RS, MBA, and Nico March, CFM, Editors. How to set up and implement reserve funds. Chapters cover investing in reserve funds, investment policies and options, and list the pros and cons of each. Contains a summary of state reserve fund requirements, the complete reserve standards and the reserve specialist code of ethics. (Community Associations Press, 2005.)
6. **Risk Management: How Community Associations Protect Themselves**, by Clifford J. Treese, CIC, CPCU, ARM, CIRMS. This report explains how to manage risk by using a five-step decision-making process and how to implement a risk management program by engaging in four key activities. Learn why insurance alone isn't enough to control risk. Addresses the growing risks for community associations in the Internet age, special considerations after September 11, 2001 and how to integrate reserves and risk management programs. (Community Associations Press, 2006.)
7. **Insurance: How Community Associations Protect Themselves**, by Clifford J. Treese, CIC, CPCU, ARM, CIRMS, and Katharine Rosenberry. Covers community insurance obligations, amount needed, types of coverage available and more. (Community Associations Press, 2006.)

You may purchase items 2-7 listed above directly from CAI for a 20% discount if you purchase them as a bundle. Visit the CAI Bookstore at [www.caionline.org](http://www.caionline.org) and enter the Item #: M5134.

## **CMCA Study Kit**

Six Essential Titles for CMCA Applicants (2009)

Item #: M5134

**Retail Price: \$120.00**

**Member Price: \$72.00**

Improve your chances of acing the CMCA exam after reading these six guides covering rules, bids and contracts, meetings and elections, reserves, risk management and insurance. Members save 40% by purchasing these titles together.

## **CMCA Examination Study Guide**

[www.nbccam.org](http://www.nbccam.org)

## **Recommended Reading Material**

**Contents:** The CMCA Study Kit includes the following Guides for Association Practitioners

- [Drafting Rules](#): How Community Associations Maintain Peace & Harmony
- [Bids & Contracts](#): How to Find the Right Community Association Professional
- [Meetings & Elections](#): How Community Associations Exercise Democracy
- [Reserve Funds](#): How & Why Community Associations Invest Assets
- [Risk Management](#): How Community Associations Protect Themselves
- [Insurance](#): How Community Associations Protect Themselves

More information on the CMCA certification and examination is available at [National Board of Certification for Community Association Managers – www.nbccam.org](#)

# KNOWLEDGE NETWORKING FORM

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Name colleagues who can be available to you as resources or coaches in each knowledge area:

**Meetings**

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**Governance and Legal Issues**

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**Budgets, Reserves, Investments, and Assessments**

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**Financial Controls**

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**Risk Management and Insurance**

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**Property Maintenance**

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**Contracting**

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**Human Resources Management**

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## **SECTION IV**

### The CMCA Certification

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# THE CMCA CREDENTIAL AND YOUR FUTURE

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Once you have successfully completed the examination and learn that you have earned your CMCA credential, celebrate your success! Tell your friends and colleagues, your family and the leaders of your community association and/or community management firm.

## PROMOTE YOUR CMCA

- **Display your certificate at work.** Frame your CMCA certificate and hang it in a visible area in your office. When visitors inquire, use your brochures to answer questions and promote your certification.
- **Use your credentials (CMCA) in all communications.** Include the acronym CMCA on every communication vehicle; including, your business cards, emails, letters, fax forms and signature stamps.
- **Communicate with clients and prospective clients.** Send an email or letter to the communities you serve and your prospective clients with information about your certification and how it can benefit them.
- **Send out press releases.** Use the sample press release found on our website to customize your own release. Send the release to local media contacts in your area and send it to your local CAI chapter for inclusion in their communications. Add the press release to your company or community's web site.

In addition to celebrating your success, you will be educating your community association board members and members of the industry about the importance of earning and maintaining a professional certification in the community association field.

# CMCA STANDARDS OF PROFESSIONAL CONDUCT

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## **A Certified Manager of Community Associations (CMCA) shall:**

1. Be knowledgeable, act, and encourage clients to act in accordance with any and all federal, state, and local laws applicable to community association management and operations.
2. Be knowledgeable, comply and encourage clients to comply with the applicable governing documents, policies and procedures of the Client Association(s) to the extent permitted by that Client.
3. Not knowingly misrepresent materials facts, make inaccurate statements or act in any fraudulent manner while representing Client Association(s) or acting as a CMCA.
4. Not provide legal advice to Client Association(s) or any of its members, or otherwise engage in the unlicensed practice of law.
5. Promptly disclose to Client Association(s) any actual or potential conflicts of interest that may involve the manager.
6. Refuse to accept any form of gratuity or other remuneration from individuals or companies that could be viewed as an improper inducement to influence the manager.
7. Participate in continuing professional education and satisfy all requirements to maintain the CMCA.
8. Act in a manner consistent with his/her fiduciary duty.
9. Conduct themselves in a professional manner at all times when acting in the scope of their employment in accordance with the terms and conditions of their contractual agreement and in accordance with local, state and federal laws.
10. Recognize the original records, files and books held by the manager are the property of the Client Associations to be returned to the Client at the end of the manager's engagement and maintain the duty of confidentiality to all current and former clients.

## **Enforcement of the Standards of Professional Conduct**

In order to maintain and enhance the credibility of the NBC-CAM certification program, the Board has adopted procedures to allow consumers and others to bring complaints concerning a CMCA to the Board. In the event of a violation of the Standards of Professional Conduct, or of other substantive requirements of the certification process by a Certificant, the Board may impose sanctions against the Certificant. The grounds for sanctions under these procedures are as follows:

1. Conviction of a felony or other crime of moral turpitude under federal or state law in a manner related to the practice of, or qualifications for, professional activity;
2. Gross negligence or willful misconduct in the performance of professional services, or other unethical or unprofessional conduct based on demonstrable violations of the NBC-CAM Standards of Professional Conduct;
3. Fraud or misrepresentation in the application for or the maintenance of any professional membership, professional accreditation, or other professional recognition or credential; or
4. Loss of a state license required to practice community association management.

A violation of any of these Standards of Professional Conduct may be grounds for administrative action and possible revocation of the CMCA certification by NBC-CAM. For additional information to interpret the Standards of Professional Conduct or regarding enforcement procedures, please view our web site at <http://www.nbccam.org/program/standards.cfm>.

## **CMCA Examination Study Guide**

[www.nbccam.org](http://www.nbccam.org)

# PREPARE TO RENEW YOUR CMCA

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As a CMCA you can continue to enhance your marketability, show your dedication to your profession, and provide top-notch guidance to your associations by continuing your education and maintaining your certification.

## **When to recertify**

You must recertify every two years to keep the CMCA certification current. Managers must pay an annual service fee of \$105 each year.

## **Recertification Guidelines**

To recertify and retain the CMCA credential, a certificant must:

- Continue to practice community association management
- Complete and submit the Recertification Application available at [www.nbccam.org](http://www.nbccam.org)
- Satisfy the continuing education requirements

## **Continuing Education**

Recertification requires the completion of 16 hours of continuing education within your two-year certification period. So, start tracking your continuing education activity as soon as you pass the CMCA examination.

Any individual who meets the continuing education requirements to maintain CAI's Association Management Specialist ([AMS](#)) or Professional Community Association Manager ([PCAM](#)) designations or the National Association of Housing Cooperative's (NAHC) Registered Cooperative Manager (RCM) designation, Florida's Community Association Manager license (CAM), or Nevada's Community Association Manager certificate will satisfy the current NBC-CAM continuing education requirement.

Credit hours may be earned only for education that meets either of the following criteria:

- It pertains to community association operations or management
- It contributes to the professional development of the certificant

Educational courses offered by the following course providers are approved – check the NBC-CAM website for an up-to-date list of course providers at <http://www.nbccam.org/cmca/recertification.cfm>:

- [Community Associations Institute](#) and its [chapters](#)
- [National Association of Housing Cooperatives](#)
- [Building Owners & Managers Association International](#)
- [Club Managers Association of America](#)
- [Florida Division of Professions, for continuing education credit for the CAM license](#)
- [Nevada Real Estate Division, for continuing education credit for the CAM license](#)
- [IREM](#)
- [CertainTeed](#)
- [Gray Systems, Inc.](#)

### **Additional Continuing Education Course Requirements:**

- One hour of credit equals one hour attended.
- Self-study credit must be pre-approved by NBC-CAM and is limited to no more than four hours every two years.
- Teaching a course related to community association management can qualify for credit.
- Publishing an article in a regional or national community association publication may qualify for credit.

You are required to submit a completed recertification along with proof of continuing education.

- Acceptable forms of documentation are:
- Completed form provided by NBC-CAM noting specifics about the continuing education.
- Certificates of attendance/completion
- Agendas
- Transcripts
- Sign-in sheets
- Invitation or acknowledgement for presentation
- Course outlines
- Copies of articles (for those who author articles)

The following page includes the Continuing Education Tracking Form or download the convenient [continuing education tracking form](#) that will assist you in tracking your continuing education. Remember to keep a copy of this handy and fill it out throughout the year as you attend or participate in continuing education programs.

For current information about continuing education, visit: <http://www.nbccam.org/cmca/recertification.cfm>

# CONTINUING EDUCATION ACTIVITY WORKSHEET

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Use this activity worksheet as a tool to track your continuing education coursework throughout the two years leading up to your recertification. When completed, send it with your Recertification Application to NBC-CAM at [info@nbccam.org](mailto:info@nbccam.org) or fax it to 703.970.9558.

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Educational Institution or Organization

Title and Description of Program	# of Hours
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Location	Date
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Educational Institution or Organization

Title and Description of Program	# of Hours
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Location	Date
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Educational Institution or Organization

Title and Description of Program	# of Hours
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Location	Date
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Educational Institution or Organization

Title and Description of Program	# of Hours
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Location	Date
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Educational Institution or Organization

Title and Description of Program	# of Hours
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Location	Date
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# BENEFITS AND VALUES OF THE CMCA

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## **CMCA**

A voluntary certification founded in 1995, the CMCA program is designed to elevate professional standards, enhance individual performance and designate those who demonstrate fundamental knowledge to the practice of community association management.

Through a comprehensive certification examination, rigorous professional standards and continued training requirements, the CMCA certification helps ensure that the manager has the knowledge, experience and integrity to provide the best possible service to a community association.

## **CMCA Designees Represent Excellence**

If you make a commitment to make community association management career, you should consider obtaining your CMCA. You will enjoy these important benefits:

**Knowledge.** CMCA certificants have successfully completed comprehensive coursework on community association management. CMCA certificants update their knowledge regularly by participating in professional development education programs.

**Experience.** CMCA certificants are required to work in the community association management profession to maintain their certification.

**Integrity.** CMCA certificants commit to upholding the highest ethical standards by abiding by the CMCA Standards of Professional Conduct.



National Board of Certification  
for Community Association Managers

6402 Arlington Blvd., Suite 510 Falls Church, Virginia 22042

866.779.CMCA toll-free | 703.907.9558 fax | [info@nbccam.org](mailto:info@nbccam.org) | [www.nbccam.org](http://www.nbccam.org)

Setting the Standard for Community Association Managers Nationwide

# NBC-CAM

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for Community Association Managers

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