

All About CMAs

A CMA is a Certified Management Accountant. This is different from a Certified Public Accountant. A Certified Management Accountant is employed by a business firm or a not-for-profit organization, and deal with private accounting.

A CMA can obtain employment by companies, government, and non-for-profit entities. A CMA can obtain employment as a Bookkeeper, Payroll Clerk, General Accountant, Budget Analyst, Cost Accountant, Internal Auditor, or Information Technology Auditor. These CMA careers have starting salaries ranging from \$28,500 to \$72,500, which is much higher than the salary range for CPAs.

A Bookkeeper does not need to have any certification, and therefore does not have to be a CMA. A Payroll Clerk must have certification called Certified Payroll Professional, or CPP, but does not need to be a CMA. A general accountant or budget analyst may not be required to be a CMA, but many CMAs begin as a general accountant or budget analyst. A Cost accountant must be a CMA and be licensed by whatever state agency monitors and regulates accountancy in that state. An Internal auditor must be a CMA and have an additional certification as a certified internal auditor, or CIA. An Information technology auditor must be a CMA and also have certified information system auditor licensing, or CISA.

The certification program to become a CMA is sponsored by the Institute of Management Accountants, or IMA. The CMA certification is proof of competence in management accounting. To receive a CMA certification, you must have a college degree, two years of experience, and pass a two day session of testing.

A CMA does not have the versatility of a CPA. Because a CMA works internally within a firm, the duties given to a CMA are fairly rote, meaning that the CMA does typically the same work each day. On the other hand, a CPA has as much variety in type of work and work duties as the variety of his or her clients. It is due to this fact that most accountants choose to obtain a CPA certification and licensing rather than a CMA certification and licensing.

Most CMAs are cost accountants. A CMA cost accountant enters transactions into accounting records like journals and ledgers. CMA cost accountants also prepare financial statements. The financial statements that the CMA prepares are vital to the business. The financial statements that the CMA prepares are used for business decision making, investor decision making, competitive comparison, and searching for industry trends. A CMA must also attempt to discover and correct any errors in the cost accounting records. This can be done in a number of ways, but is always very tedious for the CMA.

A CMA should be found if you are starting a business that will require extensive and accurate bookkeeping and accounting. You can save a lot of money in your business by hiring a CMA in house rather than using a CPA on a fee for service basis. In this way, you are left free to run your business while someone else worries about the accounting for your business.