

New Accountant

The Sky Is The Limit---Accounting Certifications

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You have visions of owning and operating your own company someday. You dream of being your own boss and generating enough income to buy the biggest house and the nicest car. You want the flexibility and freedom to set your own work schedule so that you can take a vacation on the ski slopes of Colorado, a cruise liner in the Caribbean, or a safari in Africa. Maybe you want to vacation in Paris, London, Switzerland or Australia. Maybe you want to reach the top of a Fortune 500 company or take over a local company in your area. Maybe you plan to take over a family business and expand its geographical markets or product lines. You may prefer to involve yourself with movie stars, professional athletes, or musicians; or become involved in the agricultural, banking, computer, fashion design, greeting card, insurance, or petroleum industry; or you might have an interest in the medical profession, the banking industry, or in government. All of these dreams and plans can become a reality with an accounting career.

Accounting positions and activities span a broad spectrum beyond what you learned in your high school accounting class. Many accountants have moved beyond sitting behind a desk and keeping track of "the books" to holding prestigious employment positions, titles, and certifications. The possibilities and specialties available to accountants are limitless and are expanding.

Special designations or certifications that exist for accountants provide additional evidence of knowledge and competence beyond that provided by the college degree. These certifications allow accountants to project to future employers the depth of their knowledge in a specialized field within accounting. This article describes the various certifications available to accountants.

Certified Public Accountant (CPA)

As a Certified Public Accountant (CPA), you can take your career in many different directions. CPAs typically specialize in various areas of accounting, auditing, taxation, and consulting services. CPAs work for public accounting firms and in industry. Susan Swader, CPA, of Henderson, Godbee and Nichols, PC, started her career in public accounting and became a partner in her accounting firm by the age of 32. After several years in public accounting, Nathan A. Chapman, Jr., CPA, started the first black-owned brokerage and investment banking firm in Maryland. CPA Donna Zarccone also began her career in public accounting and moved into industry. Ms. Zarccone's interest in motorcycles, creativity and ability to help companies grow eventually landed her the Chief Financial Officer (CFO) position at Eglemark Financial Services, the financial services division of Harley-Davidson Inc.

The requirements to obtain CPA status vary from state to state. However, candidates typically face an educational requirement and an experience requirement, in addition to successful completion of the Uniform Certified Public Accountant Exam. In many states the educational requirement has been extended beyond the bachelor's degree, to include 150 semester hours of college credit. The CPA exam is prepared by the American Institute of Certified Public Accountants (AICPA), an organization of over 330,000 CPA members, and is administered locally throughout the United States.

Personal Financial Specialist (PFS)

The AICPA established a certification for CPAs that specialize in personal financial planning. The personal financial specialist (PFS) certification provides evidence of expertise in the area. An example of a CPA/PFS is Ronald Giles, partner in Alday, Tillman, Wright and Giles, PC, of Valdosta, Georgia. As a CPA/PFS, Mr. Giles helps clients determine their financial goals and constraints, advises them on personal income tax planning strategies, assists them in determining their insurance coverage needs (health care, professional liability, etc.), assesses uses of insurance (e.g., funding for children's education), and advises clients on estate planning and retirement issues.

An individual interested in obtaining the PFS designation must: (1) be an AICPA member in good standing, (2) hold a CPA certificate, (3) have at least 250 hours of experience in personal financial planning for each of three years prior to applying for PFS status, and (4) pass the PFS Examination. After passing the examination and providing references letters, PFS status is awarded.

Certified Financial Planner (CFP)

The College for Financial Planning and the Certified Financial Planner Board of Standards, Inc. grants the Certified Financial Planner (CFP) designation. CFPs carry the skills and knowledge necessary to advise clients on investments, estate planning, individual income taxes, retirement planning, risk management, insurance and finance. Requirements for this designation include: (1) completing an educational program registered with the CFP Board of Standards, (2) passing a certification examination given by the CFP Board, (3) a bachelor's degree, (4) a minimum of three years of experience in the financial services field, and (5) signing an ethics statement form provided by the CFP Board.

Chartered Financial Analyst (CFA)

The Association for Investment Management and Research (AIMR), in existence since 1963, awards the chartered financial analyst (CFA) designation. The organization has a membership of 24,000 investment professionals with job titles that include accountants, auditors, business appraisers, corporate chief financial officers, and financial planners. The CFA designation is earned by an individual that: (1) has three years of professional experience in investment decision-making process, (2) has applied for membership in AIMR and in a local Financial Analyst Federation (FAF) society, (3) holds a bachelor's degree or equivalent education or work experience, (4) signs a statement agreeing to comply with AIMR and ICFA rules and regulations, and (5) acknowledges the authority of AIMR's Professional Conduct Program to enforce the Code of Ethics and Standards of Professional Conduct.

Certified Management Accountant (CMA)

The Institute of Management Accountants (IMA) administers and implements both the Certified Management Accountant (CMA) and Certified in Financial Management (CFM) programs. The IMA has approximately 80,000 members who hold titles such as chief financial officer, chief executive officer, controller, and accountant. The CMA designation dates back to 1972 and is currently endorsed by more than 200 corporate and academic organizations.

As a CMA member, former president of the IMA and retired from a career in financial executive positions, Louis Vlasho, was extended the opportunity to take his experience and knowledge to Macedonia (a country north of Greece). It was in this country that he assisted a small manufacturer of electric motors and household appliances implement a world-class cost accounting system.

Certification requires: (1) membership in the IMA, (2) a bachelor's degree or a CPA license to practice, (3) successful completion of the CMA examination, (4) an experience requirement, and (5) complying with the Standards of Ethical Conduct.

Certified in Financial Management (CFM)

The Certified in Financial Management (CFM) program has the same requirements as the CMA and is also sponsored by the IMA. The CFM is a more recent development that provides evidence of an individual's expertise and skills in financial management. A CMA holder need not take the entire examination for CFM status, but must pass an additional part of the examination which covers corporate financial management.

Certified Fraud Examiner (CFE)

Certified Fraud Examiners (CFE) specialize in the detection, investigation, and deterrence of fraud and white-collar crime. This certification was created in 1988 by the Association of Certified Fraud Examiners, an organization with 20,000 members and a mission to fight fraud and white-collar crime world-wide.

As a CFE, you might be involved with breaking up the crime rings of the Italian Mafia, Asian triads, Japanese Yakuza, Spanish Cartels, or the Russian Mafia. Charles J. Bock Jr., CFE, reports that these crime rings have developed partnerships that infiltrate financial institutions around the world. CFEs are extremely important at a time when information thefts average \$800,000 with only two percent of the perpetrators caught.

An individual seeking CFE status must: (1) have a bachelor's degree from a recognized institution of higher learning, (2) have two or more years of professional experience in a field related to fraud examination, (3) successfully complete the Uniform CFE Examination, (4) abide by a Code of Professional Ethics, and (5) have the highest moral and professional character.

Certified Internal Auditor (CIA)

Certified Internal Auditors (CIA), experts in internal auditing, are recognized worldwide. The Institute of Internal Auditors (IIA) awards the CIA designation and has a membership of 25,000. Requirements of certification as an internal auditor include: (1) a bachelor's degree or equivalent from an accredited college-level institution, (2) character reference, (3) work experience, and (4) successful completion of an examination.

Certified Information Systems Auditor (CISA)

Accountants interested in both computers and internal auditing might consider joining The Information Systems Audit and Control Association, (ISACAF), Inc., and becoming a Certified Information Systems Auditor (CISA). The ISACAF, an organization with more than 17,000 information systems professionals, publishes the IS Audit & Control Journal. Requirements of the CISA designation include: (1) the completion of an examination, (2) experience in information systems auditing, control or security experience, and (3) abiding by its code of professional ethics.

Certified Government Financial Manager (CGFM)

The Certified Government Financial Manager (CGFM) of the Association of Government Accountants (AGA) provides an opportunity for accountants interested in government to exhibit their knowledge and competence in governmental financial management. The CGFM provides evidence of the knowledge and skills needed in the governmental environment: governmental accounting, financial reporting, and budgeting; and governmental financial management and control. More than 13,000 individuals currently hold the CGFM designation and work at every level of government---federal, state, and

local. Requirements for the CGFM include: (1) an earned bachelor's degree with college hours in accounting, auditing, or other business disciplines, (2) professional experience, (3) an agreement to abide by the AGA's code of ethics, and (4) successful completion of an examination.

Government Valuation Analyst (GVA)

A certification available to government employees, the government valuation analyst (GVA), provides evidence of the certificate holder's experience as a government employed business valuator and successful completion of the GVA examination. Requirements of the GVA certification include: (1) a four-year college degree, (2) experience in business valuation, (3) a minimum governmental job-level rating, (4) current employment with a federal or state government agency, (5) complete program of study prescribed by the National Association of Certified Valuation Analysts (NACVA), and (6) passing a comprehensive examination.

Healthcare Financial Management Association (HFMA)

An accountant interested in the healthcare or medical profession might consider the Healthcare Financial Management Association (HFMA) designation. The HFMA is the nation's leading for more than 35,000 financial management professionals employed by hospitals, integrated healthcare delivery systems, long-term and ambulatory care facilities, managed care organizations, medical group practices, public accounting and consulting firms, insurance companies, government agencies, and other healthcare organizations. This organization serves the United States and Puerto Rico. Member positions include chief executive officers, chief financial officers, controllers, accountants, and other professionals who seek excellence in the financial management of integrated health systems and other healthcare organizations. The requirements of the HFMA certification include: (1) membership in the HFMA, (2) successful completion of an examination, (3) references, (4) earning Founder's Award points as defined by the HFMA, and (5) work experience.

Certified Bank Auditor (CBA)

The Bank Administration Institute (BAI) organization has a membership of 5,000 Certified Bank Auditors (CBA) across the United States and abroad. Member organizations include Barnett Banks, Citicorp/Citibank, and NationsBank. Publications of the BAI include Bank Fraud Newsletter, published for members only. The requirements of a CBA include: (1) a bachelor's degree, (2) successful completion of an examination, (3) work experience, and (4) abiding by a code of ethics. The CBA projects to future employers a high level of skill and knowledge relating to accounting; auditing principles and bank regulations; auditing practices; and general business.

Accredited in Business Valuation (ABV)

The AICPA offered the first Accredited in Business Valuation (ABV) examination in November of 1997. Five-hundred and twenty CPAs earned the designation CPA/ABV specialist. CPA/ABVs provide clients valuation services for use in selling a business, obtaining loans from a bank, divorce settlements, filing insurance claims, and mergers and acquisitions. Designation as a CPA/ABV requires the individual to: (1) be an AICPA member in good standing, (2) hold a CPA certificate, (3) have experience, and (4) pass a written examination.

Certified Valuation Analyst (CVA)

More than 2,500 individuals have their Certified Valuation Analyst (CVA) designation. This designation was instituted in the early 1990s and is recognized throughout the United States and other parts of the world. Qualification for the CVA certification include: (1) membership in the AICPA in good standing, (2) current CPA certificate, (3) member in good standing in the National Association of Certified Valuation Analysts (NACVA), (4) completion of a training program prescribed by the NACVA, and (5) completion of an examination.

Summary

Be all that you can be with an accounting career--and more--with specialized accounting certifications. An accounting career yields relatively higher salaries and provides individuals with the skills necessary to own their own businesses. Accounting certifications add credibility and provide evidence of a high level of skills, knowledge and competence in a specialized area within the accounting field. These designations also project an image of professionalism to future employers and others. Many employers only hire individuals with specialized certifications and, although employers may hire employees without certification, many employers expect their employees to obtain certifications once employed.

A career in accounting allows you to pursue any field that interests you. Any type of business activity, whether it relates to athletics, musicians, agriculture, fashion designers, or a chemical plant, requires the services that accountants offer. Prepare yourself for a career in accounting and involve yourself with any activity that suits you. Furthermore, add the initials of a professional certification behind your name.

This article provides a basic overview of different certifications available to accounting graduates. Most of the certifications require at least a bachelor's degree, work experience, successful completion of an examination, and compliance with a code of ethics.

For additional information on the certifications and organizations which grant the certifications, visit the websites at:

www.aicpa.org
www.bai.org
[/www.aimr.org](http://www.aimr.org)
www.cfenet.com
www.cfp-board.org
www.rutgers.edu/Accounting/raw/aga/cgfm.htm
www.theiia.org
www.isaca.org
www.imanet.org

www.aicpa.org
www.nacva.com
www.hfma.org
www.aicpa.org

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