

CERTIFIED MANAGER OF COMMUNITY ASSOCIATIONS

CMCA[®]

STUDY GUIDE

SETTING THE STANDARD FOR COMMUNITY ASSOCIATION
MANAGERS WORLDWIDE.

CMCA EXAMINATION

STUDY GUIDE

DISCLAIMER

This study guide is a compilation of CAMICB'S identified knowledge areas and tasks for the CMCA examination. In publishing this manual, CAMICB is not attempting to teach the competencies measured by the CMCA 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.camicb.org and download the CMCA Handbook.

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TABLE OF CONTENTS

SECTION 1: INTRODUCTION	6
CMCA Program	
Formats for Learning	
Preparing for the CMCA Examination	
SECTION 2: CMCA EXAMINATION	9
Developing the CMCA Examination	
SECTION 3: CMCA EXAMINATION CONTENT	11
CMCA Examination Content	
Exploring the Knowledge Areas	
Knowledge Area 1: Meetings	
Knowledge Area 2: Governance and Legal Issues	
Knowledge Area 3: Budgets, Reserves, Investments and Assessments	
Knowledge Area 4: Financial Controls	
Knowledge Area 5: Risk Management and Insurance	
Knowledge Area 6: Property Maintenance	
Knowledge Area 7: Contracting	
Knowledge Area 8: Human Resource Management	
Recommended Examination Preparation Materials	
Sample Examination Questions and Answers	
SECTION 4: CMCA CERTIFICATION	45
CMCA Examination Results	
CAMICB and CMCA Examination Policies	
CMCA Standards of Professional Conduct	

Dear CMCA candidate:

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 18,000 other professional community association managers who have earned the CMCA credential since 1995. The CMCA represents a benchmark of professionalism in the field of community association management and a commitment to life-long learning.

To qualify to earn the CMCA credential, you 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, or hold an active license from AZ, CA, FL, or NV.
- Pass the CMCA Examination.
- Agree to adhere to strict CMCA Standards of Professional Conduct.
- Agree to comply with continuing education requirements.

This guide, built against the content blueprint 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 CMCA examination blueprint and the core knowledge areas tested on the exam. This study guide walks you through the examination blueprint and clearly identifies each of those core knowledge areas. The responsibilities and tasks associated with each knowledge area are clearly outlined. This guide is intended to provide you with a framework to develop a comprehensive CMCA examination study plan, building on your personal professional experience and the knowledge gained in a prerequisite course -- if applicable -- and utilizing all recommended study resources. A carefully constructed and executed study plan will greatly increase your chances for a strong performance on the CMCA examination, and will enhance your efforts to build the foundation of a long and successful career in community association management.

Best of luck!

Very truly yours,



John H. Ganoe, CAE
Executive Director

[BENEFITS AND VALUES OF THE CMCA]

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's have successfully completed comprehensive coursework on community association management. CMCA's update their knowledge regularly by participating in professional development education programs.
- **Experience.** CMCA's are required to work in the community association management profession to maintain their certification.
- **Integrity.** CMCA's commit to upholding the highest ethical standards by abiding by the CMCA Standards of Professional Conduct.

SECTION 1: INTRODUCTION

[CMCA PROGRAM]

The Community Associations Managers International Certification Board (CAMICB) is an independent not-for-profit organization formed to establish and administer an international 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 CAMICB. 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.

CAMICB was incorporated by Community Associations Institute (CAI) in October 1995 as an independent organization to administer the CMCA certification program. The CAMICB 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. CAMICB 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.

CAMICB Certification Goals

CAMICB was established to operate a certification program that would advance and help assure the quality of community association management services. CAMICB'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]

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 social media networking offered by CAMICB.

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>

Facebook – Become a CMCA fan and share the great things happening in your community. The CMCA Facebook fan page is a place for CMCA's, board members, volunteers and neighbors to post stories and photos about community activities and events.
www.facebook.com/CMCAcertification

CMCA Corner Blog – Visit cmcacorner.com and get connected with your peers. CMCA Corner is an online neighborhood for community association managers to share professional interests, experience and information related to community association management.

[PREPARING FOR THE CMCA EXAMINATION]

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 to aid in your studying. A full list of examination preparation material is available on page 33.

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.

SECTION 2: CMCA EXAMINATION

[DEVELOPING THE CMCA EXAMINATION]

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 CAMICB Board, and administered by an independent, recognized testing agency (HumRRO).

CAMICB adheres to the National Commission for Certifying Agencies' (NCCA) guidelines. The CMCA credential is accredited by the National Commission for Certifying Agencies which means it complies with NCCA's stringent standards for a professional certification program. NCCA accreditation provides independent validation that the CMCA program meets or exceeds twenty-one standards concerning various aspects of the certification program including its purpose, structure, governance, psychometric foundation, policies and procedures. Accreditation validates the integrity of the program and is a mark of quality.

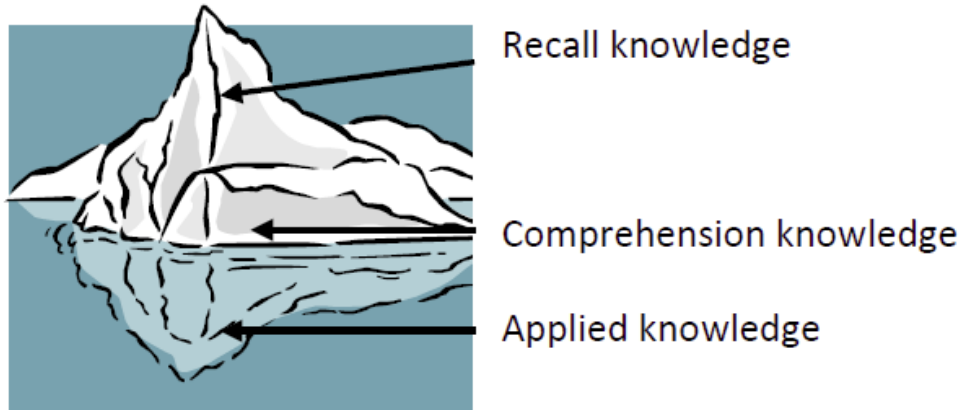
CAMICB utilizes a psychometric approach to developing the examination questions and evaluating the performance of individual test takers. We use subject matter experts to develop questions in a way that measures the applied knowledge of the test taker on the topic areas outlined within community association 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 2016, CAMICB completed an update to the 2010 occupational analysis. The occupational analysis study identified relevant tasks and organized them into knowledge areas: Meetings, Governance and Legal Issues, Budgets, Reserves, Investments and Assessments, Financial Controls, Risk Management and Insurance, Property Maintenance, Contracting, Human Resource Management.

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.

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 and comprehension.

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.

SECTION 3: CONTENT

[CMCA EXAMINATION CONTENT]

The CMCA examination is a standardized multiple-choice examination consisting of 120 items (test questions): 100 scored and 20 pilot-test items. The examination measures knowledge across eight topic areas that reflect the critical aspects of community association management. Topic areas are weighted in terms of their importance for effective performance on the job. The weights convey the percentage of the exam that is allocated to each area. Larger percentages mean more items on the exam related to that topic area.

Topic Area	% of Exam
1. Meetings	10
2. Governance, Legal and Ethical Conduct	23
3. Budgets, Reserves, Investments, and Assessments	15
4. Financial Controls	11
5. Risk Management and Insurance	11
6. Property Maintenance	11
7. Contracting	13
8. Human Resources	6
Total	100

Each topic area consists of a set of statements that describe knowledge concepts which are critical to effective performance as a community association manager. The examination items measure the knowledge described by these statements. Because the statements are written broadly, multiple items may appear on a given examination form that test different aspects of the knowledge. All examination items are written in a four-option, multiple-choice format.

Level of Knowledge Measured by the CMCA Examination

The CMCA examination items measure candidates' knowledge at three levels of cognitive complexity. These levels are described below.

Recall – Items assess candidates' recognition and identification of specific facts, concepts, or terms. Recall items typically ask for definitions and descriptions of common principles, processes, or entities.

Comprehension – Items assess candidates' understanding of informational material. Comprehension items typically ask for explanations of the organization, categorization, and operation of processes or entities.

Application – Items assess candidates' ability to use previously learned information to solve problems and draw conclusions. Items typically ask for interpretations of data, solutions to problems that have a single answer, and associations among the components of a set.

The CMCA examination content outline is presented below, organized by topic area. This list covers nearly as many concepts as there are items on the examination. Because it is impractical to test every aspect of these concepts, the examination form is compiled by sampling items from each topic area. However, candidates are expected to possess knowledge related to each of these concepts and should prepare accordingly. A list of common job tasks that are performed by community association managers is presented at the end of this section as well. This list illustrates the tasks and duties that require the critical knowledge.

CMCA EXAMINATION TOPIC AREAS AND KNOWLEDGE

Topic Area/Knowledge
<i>Knowledge of...</i>
Meetings
...the roles of managers, directors, and officers at meetings
...the requirements for different types of meetings
...election procedures
...the basic principles of parliamentary procedures (e.g., Roberts Rules of Order)
...executive/closed sessions (e.g., procedures, when to hold)
...meeting minutes (e.g., format, content, retention)
...the roles and responsibilities of committees/sub-committees (e.g., mandatory, standing, ad hoc)
...meeting procedures
...the right and procedures to recall/remove board member(s)
...the right and procedures to recall/remove officer(s)
...the contents and preparation of board packet/meeting materials
...the contents and preparation of management reports
...the roles and responsibilities of nominating/elections committees
...facilitation techniques
...presentation techniques
Governance, Legal and Ethical Conduct
...the laws and documents that govern an association
...the roles, rights and responsibilities of the board and officers
...the roles and responsibilities of a manager
...the rights and responsibilities of residents/owners
...due process to enforce rules and architectural guidelines
...board and manager fiduciary responsibilities
...the hierarchy of authority among laws and governing documents
...the sources of authority to make and enforce rules and architectural guidelines
...the need for written policies and procedures
...use restrictions and maintenance responsibilities in the governing documents
...resources for enforcing rules and architectural guidelines
...the types of associations
...basic requirements for occupancy restrictions
...business ethics (e.g., conflict of interest, duty of care, duty of loyalty)
...the basic transition process from developer to owner control
...types, components, and use of board resolutions
...confidentiality and security of documents, records, and communications

Topic Area/Knowledge

Knowledge of...

...the criteria for developing valid and enforceable rules and guidelines

...laws governing assessment collection

...when to refer issues to legal counsel

...foreclosure/debtor laws

Budgets, Reserves, Investments, and Assessments

...how to prepare and use an annual budget

...the laws and governing documents that establish budget requirements

...the roles and responsibilities of the board, officers, committees, and manager in the budget process

...the sources of authority to levy and collect assessments and other amounts due

...basic legal procedures and alternative remedies for collecting delinquent payments

...the use of a reserve study when developing a budget

...the components of a collection policy

...the types and components of budgeting methods (e.g., zero based, historical trend)

...alternative sources to supplement income (e.g., loans, user fees and other income)

...disclosure statements as required by law

...reserve fund reporting

...components, criteria, and composition of reserve studies

...investment duties

...lender guidelines and laws (e.g., transfer of ownership, association loans)

...basic characteristics of investments

...the impact of bad debt on budget analysis and forecasting

Financial Controls

...types and purposes of financial reports and records

...the relationships between and the use of financial reports and records

...the methods for determining the financial health of an association

...the differences between cash, accrual, and modified accrual accounting methods

...audited financial statements

...the components of audit, review, and compilation

...tax filing responsibilities and filing options for associations

...types of financial and accounting controls

Risk Management and Insurance

...insurance coverages and endorsements

...risk management techniques relating to property, liability, financial, and personnel exposures to loss

...insurance requirements for contractors

...the sources of association insurance requirements

...the distinction between the association and individual owner insurance coverage

...requirements for filing insurance applications and claims

...the components of the association's insurance policy

...co-insurance

...insurance deductibles

...types of insurance exclusions (e.g., terrorism, building ordinance, flood, defamation)

...the components of a risk management strategy

Property Maintenance

Topic Area/Knowledge

Knowledge of...

- ...the division of maintenance responsibilities between the association and owners
- ...maintenance requirements for property and equipment
- ...the types of maintenance programs (i.e., routine, preventive, requested, emergency, scheduled)
- ...control procedures for protecting physical assets
- ...laws and requirements pertaining to environmental issues
- ...the relationship between operating, reserves, and capital budgets for maintenance expenditures
- ...work order systems
- ...laws regulating maintenance activities (e.g., permits, inspections)

Contracting

- ...contract negotiation
- ...how to prepare a request for proposal
- ...criteria to determine whether to retain contractors or use association staff
- ...duties, responsibilities, and limitations detailed in the management agreement
- ...methods for resolving contract disputes (e.g., alternative dispute resolution, litigation)
- ...when to use an expert to develop request for proposal/quote specifications
- ...types of contracts (e.g., Time and Materials, Firm Fixed Price)
- ...key contract provisions (e.g., labor, materials, termination, deadlines, performance)
- ...when to have a legal review of a contract
- ...when to have a third party administer a contract
- ...the steps involved in evaluating and comparing bids/quotes
- ...what constitutes a contractual commitment

Human Resources

- ...written personnel/employment policies and procedures
- ...recruiting, screening, selecting, and orienting new employees
- ...written job descriptions (e.g., type, purpose, content)
- ...basic principles of supervision (e.g., training, evaluating, disciplining, mentoring)
- ...employment law (e.g., discrimination, family leave, overtime)
- ...the board's responsibility regarding employment practices

COMMUNITY ASSOCIATION MANAGEMENT JOB TASKS/DUTIES

Job Task/Duty

- Develop and implement calendars (e.g., master, administrative) for meetings, events, maintenance, and contracts
- Organize and maintain association records/files (e.g., contracts, correspondence, owner files, meeting minutes)
- Maintain and distribute specific community information (e.g., list of service providers, physical amenities, operation hours, owner vs. association responsibilities) to residents/owners
- Review and approve association invoices
- Facilitate payment of association invoices
- Process requests for architectural improvements, changes, or variances
- Document, submit, and coordinate insurance claims
- Obtain and maintain current insurance certificates (e.g., workers' compensation, liability) from contractors and subcontractors

Job Task/Duty

Identify, record, and enforce violations of association governing documents

Prepare and issue assessment notices

Enforce collection policies for delinquent accounts

Prepare and submit a board packet/meeting materials (e.g., management report, minutes, financials, contracts and status of action items) prior to a meeting

Prepare and distribute meeting notices (e.g., agendas, proxies, ballots)

Facilitate and provide input at meetings of the membership and the board

Deliver presentations at meetings

Facilitate the preparation and distribution of meeting minutes

Create an action list based on meeting decisions

Implement election procedures for membership meetings

Prepare committee and/or sub-committee charters for approval

Conduct new board member orientation

Identify potential committee members and other volunteers

Assist the board in guiding volunteers

Provide information and guidance to the board as it sets policies and makes decisions

Provide support to committees and/or sub-committees (e.g., answer questions, provide background information on issues)

Provide maintenance recommendations to the board

Serve as liaison between the association/board and professional advisors

Recommend uniform assessment collection policies to the board

Identify qualified accounting practitioners for the association

Recommend investment policies to the board/committees/sub-committees

Educate and advise the board on its fiduciary responsibilities

Advise the association/board in developing the association's rules and regulations, and due process procedures

Advise the board in obtaining and maintaining insurance coverages (e.g., casualty, fidelity, liability, property, D&O, workers' compensation)

Provide feedback to the board on contractor performance

Prepare and/or conduct new resident/owner orientation

Receive, clarify, and respond to maintenance requests from owners

Develop or coordinate the development of maintenance specifications (e.g., schedules, scope)

Respond to resident/owner inquiries

Conduct periodic property inspections

Respond to conflict between residents/owners

Develop and implement safety programs

Develop and update disaster response plan

Develop and implement an emergency maintenance protocol

Develop systems to ensure maintenance needs are documented and completed

Implement maintenance, repair, and replacement programs

Develop and implement information security policies (e.g., protection of client information)

Develop and implement customer service policies

Represent the association to the public, as directed by the board

Provide information as requested by the association's legal counsel

Inform owners of their responsibility to insure their own property

Job Task/Duty

Communicate information regarding association insurance policies and limitations of coverage to owners

Coordinate property valuation to determine insurance needs

Identify areas of potential loss (e.g., property, liability, income, and personnel)

Develop and implement risk management techniques

Recommend association risk management and insurance professionals

Coordinate inspection by risk management professional

Prepare capital and operating budgets

Implement internal financial control procedures

Develop and implement accounts payable/receivable procedures

Analyze and interpret the financial statements and reports and report significant variances from the budget

Manage association operations within the budget

Assist in the development of the reserve study

Assist the board in identifying funding sources for reserve expenditures

Implement the reserve funding model approved by the board

Provide regularly scheduled financial statements and reports to the board and members

Provide the association financial records to the independent auditor and/or accountant

Distribute audited financial statements to the membership and the board

Implement investment policies of the board

Identify investment products

Document transfer of funds

Identify and/or inventory association physical assets

Prepare disclosure statements for sales, leases, or transfers required by governing documents or laws

Identify qualified contractors for the association

Manage work order systems

Prepare specifications for requests for proposal (RFP)

Review contractual provisions (e.g., parties, scope of work, timelines, compensation)

Analyze bids/quotes

Negotiate contracts

Coordinate legal review of contracts

Obtain approval of contracts

Provide contracted services as defined in the management agreement

Confirm completion of contracted work in accordance with bid specifications

Apply contract warranties

Develop, recommend, and/or update job descriptions

Recruit, hire, and/or terminate employees

Establish employee performance objectives, evaluate work performance, and conduct periodic reviews

Supervise employees

Communicate employment policies and laws to employees

Communicate employment policies and laws to the association

Develop, recommend, and implement employee policies

Maintain and retain individual employee files

KEY TERMS

Key Terms (Meetings)

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.

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 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.

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.

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).

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.

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).

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.

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.

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.

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.

Key Terms (Risk Management and Insurance)

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.

Coinsurance: Coinsurance is a standard element in most property policies that obligates the insured to maintain 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.

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.

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.

Key Terms (Property Maintenance and Management)

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.

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.

Key Terms (Contracting)

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.

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.

Key Terms (Human Resource Management)

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.

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.

[RECOMMENDED EXAM PREPARATION MATERIALS]

CAMICB encourages candidates to prepare for the examination for 4-6 months prior to sitting for the CMCA examination. There are several examination preparation materials available:

1. CMCA Handbook

The CMCA Handbook provides information on the CMCA examination application process as well as a detailed outline of the examination content. The Handbook also provides study materials and strategies for taking the examination. Applicants are required to read the Handbook in its entirety prior to applying to sit for the CMCA examination.

2. CMCA Study Guide

The CMCA Study Guide will help candidates develop strategies for exam preparation. The Study Guide identifies all the knowledge areas tested on the exam and details the knowledge, skills and abilities tested in each knowledge area. The Study Guide is a critical tool in exam preparation and is available as a free electronic download.

3. Community Association Management Best Practices Reports

Industry experts and a range of professional publications were consulted in the development of function-specific benchmarking and best practices for community association management. The Foundation for Community Association Research has made the Best Practices Reports available for free download on their website.

4. Community Association Institute's Guides for Association Practitioners (GAPs)

CAI's Guide for Association Practitioners (GAP) covers industry standards and best practices for a wide variety of topics facing community association managers. The series is available for purchase in their bookstore online or by contacting CAI Direct at 888.224.4321.

5. Prerequisite course manual

Candidates should study the manual from their prerequisite course. You should review each chapter carefully, paying close attention to subjects heavily tested on the course exam. It is important to remember that prerequisite courses are not intended to serve as a review course for the CMCA examination. The course should be viewed as one part of your intensive preparation to sit for the CMCA examination.

6. Practice exams

CAMICB has two practice exams available for candidates. The first is in the back of the Study Guide. The second can be purchased on the CAMICB website at <https://www.camicb.org/Pages/CMCA-Examination-Preparation.aspx>. The CMCA Practice Exam provides candidates an opportunity to familiarize themselves with exam content and question types. The practice exam contains questions that have rotated off the CMCA examination

7. Additional materials

CAMICB will continue to make additional study tools and materials available on the CAMICB website at <https://www.camicb.org/Pages/CMCA-Examination-Preparation.aspx> for use by candidates. Check the website frequently for the newest exam preparation materials.

Successful CMCA candidates make full use of all recommended resources as they prepare for the examination.

[SAMPLE CMCA EXAMINATION QUESTIONS]

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. association will be covered for shortfalls in the reserve accounts.
 - d. 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.
- 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 which statement 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 government agency regulates employee compensation or payment?

- a. FDIC
- b. FICA
- c. OSHA
- d. DOL

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:

- a. reserve study and replacement fund budget
- b. maintenance record and inspection report
- c. inspection checklist and reserve fund budget
- d. inspection report and analysis sheet

23. A closed board meeting may also be referred to as a:

- a. private session
- b. board session
- c. executive session
- d. committee session

24. All of the following are types of association meetings except:

- a. special meetings
- b. annual meetings
- c. ad hoc meetings
- d. owner meetings

25. A useful management control to record various maintenance services and information needed in case of an emergency is a maintenance:

- a. responsibility chart
- b. analysis sheet
- c. request form
- d. contact sheet

26. All of the following are key contract provisions except:

- a. standards of performance
- b. job site safety requirements

- c. manner in which payments are made
- d. contractor's phone numbers

27. It is good practice for an association to include a disclaimer in its employee manual stating that:

- a. employment is based on experience and references
- b. it is not an implied contract or promise of employment
- c. employment may include a background check
- d. 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:

- a. pay all invoices when presented
- b. create controls for ensuring that the work will be completed
- c. get at least five bids for work over \$1,000
- d. 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. In which procedure are performance problems brought to the employee's attention and actions 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 contactor 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. Which 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. A job description should include:

- a. required duties of the position
- b. a list of paydays and holidays
- c. salary and benefits
- d. reporting relationships

43. When an organization is interested in receiving proposals for a particular project, what should it develop?

- a. Bid specification
- b. Bid request
- c. Bid qualifications sheet
- d. Bid statement of work

44. 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

45. 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

- 46. Which of the following are detailed instructions about the products or services requested from a contractor?**
- Warranties
 - Bid specifications
 - Qualifications sheets
 - Payment bonds
- 47. More and more associations are employing which professional to attend annual or special meetings and to rule on all procedural questions?**
- certified lawyers
 - professional parliamentarians
 - certified negotiators
 - professional arbitrators
- 48. A cost and fees contract covers:**
- all contracted work fees after its been completed
 - a level of performance for a specific period of time and money
 - actual labor and materials costs and a percentage of profit
 - hourly rates, material costs and a percentage of the total costs
- 49. What is the process of establishing performance goals and standards for an employee?**
- Employee orientation to the association
 - On-going training
 - Performance planning
 - Performance evaluation
- 50. All of the following statements are correct with regards to special and annual meetings except:**
- both have to meet minimum quorum requirements set by the statute
 - both require notice of meeting to be sent to all owners within time allotted
 - both provide a forum for business not stated in meeting notice
 - both allow owners to attend in person or by proxy
- 51. What is an aid commonly used for planning and budgeting the use of personnel?**
- Job description
 - Annual budget
 - Manpower reports
 - Performance planning
- 52. What sets forth criteria for the annual meeting, including notice, quorum, voting, and proxy procedures?**
- Articles of incorporation
 - Bylaws

- c. State statutes
- d. Parliamentary procedures

53. What regulates 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]

Question #	Question Answer	Question #	Question Answer
1.	A	28.	B
2.	D	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.	A
16.	A	43.	B
17.	D	44.	D
18.	A	45.	B
19.	C	46.	B
20.	D	47.	B
21.	C	48.	C
22.	A	49.	C
23.	C	50.	C
24.	C	51.	A
25.	D	52.	B
26.	D	53.	D
27.	B		

SECTION 4: CMCA CERTIFICATION

[CMCA EXAMINATION RESULTS]

Examination results

Computer based - 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 pass/fail examination, the test administrator will release your grade to you.

Paper-and-pencil - The pencil-and-paper examinations are electronically scored by the Human Resources Research Organization (HumRRO). For this reason, it is important to complete the answer sheet according to the instructions provided by the Test Administrator or Proctor on the day of the exam. Candidates will receive credit only for answers recorded on the scannable answer sheet. Answers marked in the test booklet(s) will NOT be counted toward a candidate's score. Examination results are mailed to candidates approximately four to six weeks after the examination administration.

Computer technical difficulties – Pearson VUE

On very rare occasions, technical difficulties may be encountered at the testing center. If you experience technical difficulties, notify the testing center administration immediately. Every effort will be made to correct the problem as quickly as possible.

In the case of severe technical difficulties or power loss, candidates may be unable to continue their testing session. In such instances, reasonable accommodations will be made, including rescheduling of the testing appointment. Requests will be evaluated by CAMICB on an individual basis.

Exam scoring

The CMCA examination is a criterion-referenced examination; i.e., 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. The passing scores represent absolute standards and are determined by CAMICB content experts using psychometrically accepted standard-setting methodology.

Score reporting

In reporting the examination results to candidates, statistical procedures are used to convert raw scores (i.e., 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.

Hand score requests

Candidates who fail the CMCA paper-and-pencil 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 CAMICB via email, fax, or U.S. mail. There is no hand score equivalent for a computer based test. If there is a technical problem during a computer-based examination, follow the procedures described in “Computer Technical Difficulties – Pearson VUE” on page #49 of this document.

[CAMICB and CMCA EXAMINATION POLICIES]

Confidentiality policy

CAMICB 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 they inquire in writing to the Commission. The name and certification status of individuals who have successfully completed the CMCA examination may be published and released upon request to employers and other interested parties. CAMICB and HumRRO will discuss score-related matters with the candidate or the candidate's legal representative only.

Record retention policy

CAMICB will compile and file records for each CMCA applicant and certificant and will retain the applications as follows:

- New applications will be stored permanently in an electronic manner.
- Recertification and reinstatement applications will be stored for four years and will be destroyed after four years.

Refunds and extensions

All exam fees are nonrefundable. There is no limit on the number of times a candidate may take the exam.

Carefully select your testing date and location. **The one year period of exam eligibility from the date of issuance of the Authorization to Test letter will not be extended.**

Pearson VUE: If you need to reschedule your computer-based testing appointment, you must contact Pearson VUE 72 hours 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.

If weather or other natural disaster causes a test center closure, your appointment will be rescheduled without incurring an additional fee.

Identification requirements

You must present government-issued photo identification (ID) to be admitted to the testing center. The printed name and address on your ID must be the same as the name that appears on your registration form. Acceptable forms of primary identification are (photo mandatory): valid driver's license with photo and valid state/province ID card with photo. Without proper identification, you will not be admitted to take the examination. There will be no refund of your testing fee.

Security measures

Numerous security measures will be enforced during the test administration to ensure the integrity of the program. 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

CAMICB 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 open, it is your responsibility to keep the appointment. If the site is closed, you will be given the opportunity to reschedule the appointment at no additional cost.

[CMCA STANDARDS OF PROFESSIONAL CONDUCT]

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 material 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. Not breach 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.

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 CAMICB 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 CAMICB 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 CAMICB. For additional information to interpret the Standards of Professional Conduct or regarding enforcement procedures, please view our web site at <https://www.camicb.org/for-cmcas/standards-of-professional-conduct>