Everything You Need to Know about the FP&A Credential and Examination

Presented by:

Megan Ladd
Certification Specialist
Agenda

Today’s webinar will:

• Provide an overview of AFP and the Certified Corporate Financial Planning & Analysis Professional credential
• Provide an overview of the 2019A testing window
• Answer common questions
• Answer questions submitted by attendees
AFP’s Mission

To be the global resource and advocate for the finance profession.

• Network of 16,000 individual members and 150,000 registered subscribers worldwide
• Not-for-profit, member-directed organization
• Primary focus is on corporate finance practitioners
• Knowledge of members’ job functions and issues key to fulfillment of mission
AFP’s Experience as Certifying Body

• Sponsor of the Certified Treasury Professional (CTP) and Certified Cash Manager (CCM) credentials
• Earned by more than 30,000 individuals in 54 countries since 1986
• ~2,500 individuals register annually to take exam
• 83% of Fortune 500 companies hire CTPs
AFP’s Experience as Certifying Body

AFP has demonstrated *know-how* to:

- Develop and maintain a psychometrically sound and legally defensible credential according to industry approved best practices
- Develop and use professional standards to certify individuals
- To facilitate and administer a certification created *by* and *for* finance practitioners
Certified Corporate Financial Planning & Analysis Professional™ Credential (FP&A)

- Sponsored and administered by the Association for Financial Professionals (AFP)
- Developed by practitioners for practitioners
  - The success of the FP&A credential is a function of active practitioner involvement.
  - Practicing FP&As are involved at every stage of the process.
  - Three years in the making.
- Developed following global standards of practice
  - AFP employs professional testing experts to assist in all aspects of the exam development process to ensure psychometric soundness and legal defensibility of the program.
Process of Designing a Certification Program

1. Job Task Analysis (JTA)
   • Job tasks and required knowledge, skills and abilities identified.
   • Survey developed and sent to 5,000 FP&A practitioners around the world.
   • Respondents validated the job tasks and responsibilities and ranked importance of each.

2. Test Specifications
   • Based on survey results for frequency of tasks and importance ratings.
   • Knowledge domains and knowledge, skills and abilities developed, agreed upon by demographically-diverse FP&A practitioner volunteers.
Process of Designing a Certification Program

3. The Exam
   • Guided by test development professionals
   • Volunteer practitioners write, edit and approve test questions
     • Multiple exam forms created
   • Beta test administered
   • Minimum competency level determined (Cut Score)

4. Recertification
   • Frequency and amount of continuing education credits determined by FP&A practitioner volunteers
Exam Results

• Exam administered in ten windows since February 1 – March 31, 2014 (2014A Beta)
• Average pass rate for Part I is 62%
• Average pass rate for Part II is 51%
• Scaled scores range from 200-800, with a passing score of 500 for both parts of the exam
Exam Registrants

Almost 3,500 participants from 69 countries in regions that include: North America, South America, Europe, Asia, Africa, Middle East, Oceania

Across a variety of industries:
New Certificants

- Over 1,100 practitioners
- 35 countries
- From some of the best organizations in the world including:

<table>
<thead>
<tr>
<th>Saudi Aramco</th>
<th>Euroclear SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Electric (Japan)</td>
<td>British Petroleum (BP)</td>
</tr>
<tr>
<td>Coca-Cola</td>
<td>World Fuel</td>
</tr>
<tr>
<td>Johnson &amp; Johnson, Brazil</td>
<td>Stanley Works Asia Pacific</td>
</tr>
<tr>
<td>McDonald’s Corp.</td>
<td>SPX Corp. (U.K.)</td>
</tr>
<tr>
<td>Lear Corporation</td>
<td>Baker Hughes</td>
</tr>
<tr>
<td>FedEx Corp.</td>
<td>MetLife (Dubai)</td>
</tr>
<tr>
<td>AT&amp;T, Inc.</td>
<td>Boeing Corp.</td>
</tr>
<tr>
<td>Verizon</td>
<td>FTI Consulting</td>
</tr>
</tbody>
</table>
About the FP&A™ Credential

Program Entrance Requirements

• Bachelor’s degree or global equivalent (any major)
  
  **OR**

• Enrolled in an undergraduate program with a finance, accounting, economics or business major and be on track to graduate within two years.

  **AND**

• Understand and agree to comply with AFP Standards of Ethical Conduct.
About the FP&A™ Credential

Credential Requirements

• **Exam (both parts), Education and Experience (3E’s)**
  - Candidates may enroll in the FP&A program and begin taking the exams before the education and experience requirements have been fully satisfied, but will not be awarded the credential until all requirements have been met.
  - **Five years** from date of enrollment to accomplish all 3 requirements.

• **Renewal**
  - 45 Hours of continuing education credits every three years.
  - The FP&A is a certification, not a certificate program.
About the FP&A™ Credential

Work Experience Requirement

• Full Time Equivalent (FTE) Experience in FP&A position.
• 35 hours of work per week.
• At least 50% of time spent performing/managing OR supervising those who perform/manage the following finance tasks:
  o Budgeting
  o Forecasting
  o Financial modeling
  o Corporate financial planning/strategic planning
  o Financial analysis
About the FP&A™ Credential

Education Requirement

- Finance, accounting, economics or business degree OR
- Additional finance and accounting coursework OR
- Other Credentials- Approved related credentials (Eligibility Category D) to replace finance, accounting or business related degree

Certified General Accountant (CGA)  
Certified Government Financial Manager (CGFM)  
Certified Internal Auditor (CIA)  
Certified Management Accountant (CMA)  
Certified Public Accountant (CPA)-US  
Certified Treasury Professional (CTP)  
Chartered Accountant (CA)  
Chartered Professional Accountant (CPA) Canada

Association of Chartered Certified Accountant Qualified (ACCA)  
Institute of Chartered Accountants in England & Wales Chartered Accountant (ACA)  
Chartered Institute for Management Accountants (CIMA qualified)  
Chartered Financial Analyst (CFA)  
Chartered Global Management Accountant (CGMA)  
Professional Business Accountant (PBA) Canada
# About the FP&A™ Credential

To determine your eligibility please visit: [www.FPAcert.org/fpatool](http://www.FPAcert.org/fpatool)

<table>
<thead>
<tr>
<th>Category A</th>
<th>Category B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate Education</td>
<td>Bachelor’s or global equivalent in accounting, finance or business</td>
</tr>
<tr>
<td>Graduate Education</td>
<td>None</td>
</tr>
<tr>
<td>Supplemental Education</td>
<td>None</td>
</tr>
<tr>
<td>Credential</td>
<td>None</td>
</tr>
<tr>
<td>Work Experience</td>
<td>3 years of FTE experience in an FP&amp;A position</td>
</tr>
</tbody>
</table>

| Undergraduate Education | Bachelor’s or global equivalent in accounting, finance or business |
| Graduate Education | Master’s degree of higher or global equivalent in a finance, accounting or business related field |
| Supplemental Education | None |
| Credential | None |
| Work Experience | 2 years of FTE experience in an FP&A position |

<table>
<thead>
<tr>
<th>Category C</th>
<th>Category D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate Education</td>
<td>Bachelor’s or global equivalent in a non-finance subject</td>
</tr>
<tr>
<td>Graduate education</td>
<td>None</td>
</tr>
<tr>
<td>Supplemental Education</td>
<td>Three semester hours of college level course work or equivalent in finance and six semester hours of college level course work or equivalent in finance or managerial accounting</td>
</tr>
<tr>
<td>Credential</td>
<td>None</td>
</tr>
<tr>
<td>Work Experience</td>
<td>3 years of FTE experience in an FP&amp;A position</td>
</tr>
</tbody>
</table>

| Undergraduate Education | Bachelor’s or global equivalent in a non-finance subject |
| Graduate education | None |
| Supplemental Education | None |
| Credential | An approved accounting or finance related credential |
| Work Experience | 3 years of FTE experience in an FP&A position |
About the FP&A™ Credential

Exam requirement

Must pass both parts of the exam that assesses candidates’ mastery of required **knowledge, skills and abilities** to execute critical functions performed by FP&A practitioners.

<table>
<thead>
<tr>
<th>Part</th>
<th>Number of Questions</th>
<th>Testing Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part I</td>
<td>110 MCQ + 15 TBS</td>
<td>3 hours</td>
</tr>
<tr>
<td>Part II</td>
<td>90 MCQ + 35 TBS</td>
<td>4 hours, 30 minutes</td>
</tr>
</tbody>
</table>

- Multiple choice or task-based simulations (spreadsheet-based questions).
- Computer-based.
- Differing degrees of difficulty.
- No penalty for incorrect answers.
- Standardized test with multiple versions randomly administered.
- Delivered annually, two 60-day windows: Feb/Mar and Aug/Sep
FP&A Exam Test Specifications

FP&A Exam Part I
Financial Acumen:
Gathering, Interpreting, Understanding and Communicating Business and Financial Information

• Domain A
Gathering and Interpreting Information: 40% of Exam Part I
• Domain B
Understanding Financial Concepts and Communicating/Coordinating Work with Other Professionals: 60% of Exam Part I
FP&A Exam Test Specifications

FP&A Exam Part II
Financial Analysis:
Building and Interpreting Financial Projections

• Domain A
  Analyzing Information:
  35% of Exam Part II

• Domain B
  Building Financial Projections:
  35% of Exam Part II

• Domain C
  Using Technology/Software
  30% of Exam Part II
Program Updates for 2019

The test specifications will be changing for the 2019B testing window. Please see pages 8 - 9 of the Certification Candidate Handbook for the updated list of specifications.

For a list of all Program Updates for 2019 and to download the 2019 Certification Candidate Handbook, please visit our website: https://fpacert.afponline.org/about-exam/fp-a-policy-changes
## The FP&A™ Exam

### Enrollment Fees

<table>
<thead>
<tr>
<th>Deadline</th>
<th>Early</th>
<th>Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member</td>
<td>$1025</td>
<td>$1125</td>
</tr>
<tr>
<td>Non-member</td>
<td>$1420</td>
<td>$1520</td>
</tr>
</tbody>
</table>
The FP&A™ Exam

**Deadlines**

<table>
<thead>
<tr>
<th>Testing Window</th>
<th>Early Application Deadline</th>
<th>Final Application Deadline</th>
<th>Cancellation/Refund Request Deadline</th>
<th>Transfer/Deferral Deadline*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>February 1 – March 31, 2018 (2019A)</strong></td>
<td>November 16, 2018</td>
<td>December 14, 2018</td>
<td>January 18, 2019</td>
<td>March 31, 2019</td>
</tr>
</tbody>
</table>
Program Updates for 2019

Transfers (moving one or both examination parts from the current window to the next available window) will no longer be an option, effective April 1, 2019. You may re-register for a future window if you need to move your exam window.

Re-Registration fees (formerly known as Re-Examination fees) will be lowered to $250 per part from $350, effective June 23, 2018 beginning with the February - March 2019 (2019A) window.

For a list of all Program Updates for 2019 and to download the 2019 Certification Candidate Handbook, please visit our website: https://fpacert.afponline.org/about-exam/fp-a-policy-changes
Ready, Set, Sit!

Recommended Steps toward Sitting for the FP&A Exam

1. Request the Certification Candidate Handbook (CCH), the guide to the entire certification process, from registration to recertification.
2. Review the Rules and Regulations for all policies and procedures regarding the FP&A certification program: www.FPAcert.org/apply/regulations
3. Review the products available to help you prepare for the FP&A exam.
4. Submit the online application or use the printable version that is available on the Forms page: www.fpacert.org/forms or at the end of the CCH
   • For those who are submitting an online application, you must complete the eligibility portion. **NOTE: an application is not complete until the Eligibility Portion is complete.**
5. Wait to receive your registration confirmation and Authorization to Test (ATT) via email. They will be emailed to you in that order.
6. You may schedule your exam appointment with Pearson VUE after you have received your ATT at www.pearsonVUE.com/AFP
7. Create study plan and schedule study time
How to Apply

- Online or paper-based application available: https://fpacert.afponline.org/how-to-apply/submit
- Need complete information!
  - Education and work experience
  - Email and phone number
- Confirmation will be sent by email within 3-4 business days.
- Authorizations-to-Test (ATTs) will be sent by email on a weekly basis.
The FP&A™ Exam

- Administered by Pearson VUE Testing Centers.
- Exam is available throughout Pearson's network of more than 5,000 testing centers in cities worldwide.
- Test centers listed on the Pearson VUE website at www.pearsonvue.com/AFP
- Candidates may schedule exam parts in any order, for any day and time within the 60-day testing window.
- Appointments may be cancelled and rescheduled within the window at no cost to the candidate, as long as changes are made one full business day (24 hours) in advance.
How to Schedule an Appointment

Once your Authorization to Test (ATT) is issued, you *must*:

- Schedule an appointment and take both parts of the exam
  OR
- Transfer* from the current window to the next window. A $125 USD fee per exam part will be applied to all candidates who wish to make this change.

* Transfers (moving one or both examination parts from the current window to the next available window) will no longer be an option, effective April 1, 2019. You may re-register for a future window if you need to move your exam window.
How to Schedule an Appointment

Once you have scheduled an appointment, you **must**:

- Show up and take the exam
- OR
- Cancel and reschedule appointment with Pearson VUE at least 24 hours (one full business day) in advance

**No Show penalty is $100 per exam part if you fail to cancel a testing appointment with Pearson VUE at least 24 hours (one full business day) in advance!**
Candidate Success Factors

Create study plan.

Use study materials and techniques to reinforce learning and comprehension.

Test your mastery of the material.

Prepare your test-taking skills.
Study Resources

• FP&A List of Suggested References
  • www.FPAcert.org/ref

• AFP Financial Planning & Analysis Learning System™
  • www.FPAcert.org/afpls

• AFP Financial Planning & Analysis Learning System™ Courses
  • www.FPAcert.org/courses

• FP&A Exam Study Network (Find a “Study Buddy”)
  • www.FPAcert.org/preparation/resources

• Spreadsheet Tutorial
  • www.FPAcert.org/spreadsheet

• FP&A Collaborate Community
  • https://collaborate.afponline.org/home
FP&A™ Exam Study Resources

List of Suggested References- www.FPAcert.org/ref

- Please note that the readings are presented with these understandings:
  - The list is not a substitute for professional experience and education.
  - It is not expected that exam takers will have read all the resources cited.
  - The readings are intended as guidelines only.
  - Purchase selectively. Consider purchases that not only help in preparing to take the exam, but also serve as long lasting references for professional practice.
  - Consider purchases that will serve to fill knowledge gaps.
  - To purchase any of the books listed, please visit AFP’s FP&A Amazon Associates Store at http://astore.amazon.com/fpacer-20.
FP&A™ Exam Study Resources

Spreadsheet Tutorial

• The FP&A Examination will contain spreadsheet based items. Please visit www.FPAcert.org/spreadsheet for a video of the tutorial that candidates will be able to view on the day of the examination, demonstrating how the spreadsheet abilities will function within the test. Slides of the tutorial and a list of abilities within the spreadsheet tool can also be located on the website. Please continue to check this page for updates to the tutorial and slides.
• There are spreadsheet based items on both Part I and Part II of the examination.
• The spreadsheet is NOT Excel.
Upcoming Webinars

FP&A Exam Prep Strategies: Utilizing the Learning System
An informative online session that will help you understand the Certified Corporate FP&A Professional Learning System and prepare to pass the certification exams.
Tuesday, December 11, 2018 from 2-3 p.m. ET

FP&A Exam: Test Taking Strategies and Calculation Tips
Attend this valuable session taught by AFP faculty to learn test taking and calculations tips to help you pass the exam.
Tuesday, January 9, 2019 from 3-4 p.m. ET
AFP Financial Planning & Analysis Learning System™
Use Study Materials

- Assess current knowledge
- Create directed study plan
- Study domains
- Take quizzes
- Study flashcards
- Review case studies
- Take post-test to measure learning gain
- Review to close learning gaps
## SmartStudy Tools

### AFP FP&A Learning System™

**Part 1**

To get started, follow these simple steps:

1. **Enter your first name:**
   - Name

2. **STEP ONE:** Enter the following scores from your pre-test taken in The AFP FP&A Learning System.
   - Note: Your scores can be found under Reports: Pre-test/Post-Test Comparison.
   - **Enter your Domain IA: Gathering and Interpreting Information pre-test score (0% - 100%):** 60%
   - **Enter your Domain IB: Understanding Financial Concepts and Communicating/Coordinating Work with Other Professionals pre-test score (0% - 100%):** 70%

3. **STEP TWO:** Translate your corporate financial planning and analysis experience into a comfort level number.
   - The depth, breadth, and length of your experience will help you determine how well you may understand the initial concepts and whether you have experience applying them. Your experience will play an important role in how well you can apply these concepts to prepare for taking the FP&A Exam. Assign an approximate comfort level for each section based on your corporate financial planning and analysis experience. Enter the comfort score next to the appropriate section name.

   - **Use a scale of 1-5, with 1 indicating the lowest comfort level and 5 indicating the highest comfort level.**

<table>
<thead>
<tr>
<th>Sections</th>
<th>Comfort Level (1-5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>IA: Gathering and Interpreting Information</td>
<td>3</td>
</tr>
<tr>
<td>IB: Understanding Financial Concepts and Communicating/Coordinating Work with Other Professionals</td>
<td>4</td>
</tr>
</tbody>
</table>

4. **Enter your desired test date (e.g. mm/yyyy):**
   - March 14

[Submit]

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**FP&A™ Financial Planning & Analysis Professional**

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### Guidelines: How long will it take to study?

<table>
<thead>
<tr>
<th>Part I</th>
<th>Part II</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assess knowledge with pre-test - 1 hour</td>
<td>Assess knowledge with pre-test - 1 hour</td>
</tr>
<tr>
<td>Review reading materials - 18.5 hours</td>
<td>Review reading materials - 19 hours</td>
</tr>
<tr>
<td>Take practice quizzes - 6 hours</td>
<td>Take practice quizzes - 5.5 hours</td>
</tr>
<tr>
<td>Review flashcards - 1.5 hours</td>
<td>Review flashcards - 2 hours</td>
</tr>
<tr>
<td>Complete case studies - 1 hour</td>
<td>Complete case studies - 1.5 hours</td>
</tr>
<tr>
<td>Take post-test to measure learning gain - 1 hour</td>
<td>Take post-test to measure learning gain - 1 hour</td>
</tr>
<tr>
<td>Take practice exam - 3 hours</td>
<td>Take practice exam - 4 hours</td>
</tr>
<tr>
<td>Visit online resource center - 1-3 hours</td>
<td>Visit online resource center - 1-3 hours</td>
</tr>
</tbody>
</table>

- **35 hours minimum**
- **37 hours minimum**

* The actual amount of time required to prepare will vary based on your FP&A experience, reading speed, learning style, and comfort with studying and test-taking.
# AFP Financial Planning & Analysis Learning System™

www.AFPlerningsystem.com/fpa  - Try the demo!

<table>
<thead>
<tr>
<th>Learning System Prices</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>AFP Member Standard Price</td>
<td>$995</td>
</tr>
<tr>
<td>AFP Non-Member Standard Price</td>
<td>$1,095</td>
</tr>
<tr>
<td>2-10 units</td>
<td>$895</td>
</tr>
<tr>
<td>11-10 units</td>
<td>$860</td>
</tr>
<tr>
<td>21-50 units</td>
<td>$830</td>
</tr>
</tbody>
</table>
Program Updates for 2019

The February - March 2019 (2019A) testing window will be the last testing window to utilize the current edition of the Learning System. The new learning tool will be effective starting with the August - September 2019 (2019B) testing window through February - March 2024 (2024A). Candidates who previously purchased a Learning System and are still enrolled, but have not yet passed both parts of the test, will receive the updated material at no cost.

For a list of all Program Updates for 2019 and to download the 2019 Certification Candidate Handbook, please visit our website: https://fpacert.afponline.org/about-exam/fp-a-policy-changes
The Certified Corporate Financial Planning & Analysis Professional™ Credential

Will...

• **Set standards** in the corporate FP&A profession
• Be a **symbol of excellence**
• **Signify that an individual has:**
  – *demonstrated* the knowledge and skills required to perform **competently** in today's complex finance environment
  – **passed** a rigorous examination
  – agreed to abide by a **professional code of ethical conduct**
  – committed to keeping knowledge current by **meeting continuing education requirements**
Questions from the Audience
Contact Us

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ssaul@AFPonline.org

FPAcert@AFPonline.org

Megan Ladd
Certification Specialist
301.961.8862
mladd@AFPonline.org

Follow us on Twitter!
www.twitter.com/FPAcert