

# “How to Become a Certified Defense Financial Manager (CDFM) in Eight Weeks”



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## Overview

The Certified Defense Financial Manager (CDFM) professional certification, which is sponsored by the American Society of Military Comptrollers (ASMC), is to the Department of Defense (DoD) as the Certified Public Accountant (CPA) and the Certified Fraud Examiner (CFE) professional certifications are to the private sector.

The DoD Authorization Act FY2012 signed by President Obama empowers the Secretary of Defense to "... [prescribe professional certification and credential standards](#)" for the financial management community. And as the CDFM is one of the professional certification programs recognized by the DoD, earning your Certified Defense Financial Manager (CDFM) designation is vital to your success as a DoD financial manager.

The CDFM is extremely prestigious and significant, as it denotes expert knowledge in all areas of DoD Financial Management (FM). However, while it is not easy to obtain, the rewards for you professionally are well worth the effort.

This article is written to lay out a study plan you can use to obtain the coveted CDFM professional certification in just eight (8) weeks.

First, I will provide a brief outline of how the three modules are composed in terms of core areas of competencies.

Second, I will share my blueprint of the eight-week CDFM study plan.

Finally, I will offer motivational points that should keep you focused on taking – and passing – the CDFM examinations.



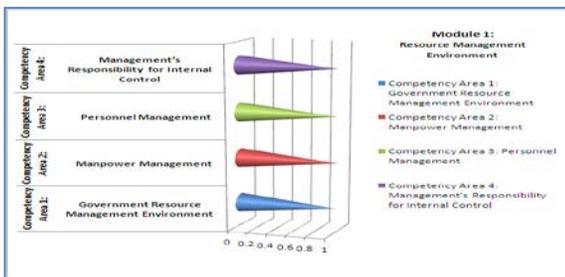
# The Competencies of the Three CDFM Modules

The CDFM certification is made up of three core competencies:

- **Module One:** Resource Management Environment;
- **Module Two:** Budget and Cost Analysis; and
- **Module Three:** Accounting and Finance.

There is an additional fourth module that deals strictly with acquisition business management, which will earn you the designation of John Doe, CDFM-A. However, for the purpose of this article, I will only focus on providing a brief excerpt of the three core competencies, which would be conveyed by John Doe, CDFM.

## Module One: Resource Management Environment



Source: [www.asmcnline.org](http://www.asmcnline.org) and EDFMTC Textbook (copyright March 2000, revised October 2011)

**Competency Area One:** This area deals with the financial manager’s knowledge of:

- Relationships of checks and balances among the branches of the Federal government;
- Structure of the Federal budget, including sources of revenue and expenditures;
- The roles of the President, Congress, Treasury, Office of Management and Budget (OMB) and other Federal agencies in the legislative process; and
- The four phases of the budget cycle.

**Competency Area Two:** This area deals with the financial manager’s knowledge of:

- Manpower and force management as they relate to resource management;
- Manpower rules, regulations and laws;
- Development of manpower requirements; and

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- Familiarity with and use of, Department of Defense separation incentives and Federal Activities Inventory Reform Act of 1998.

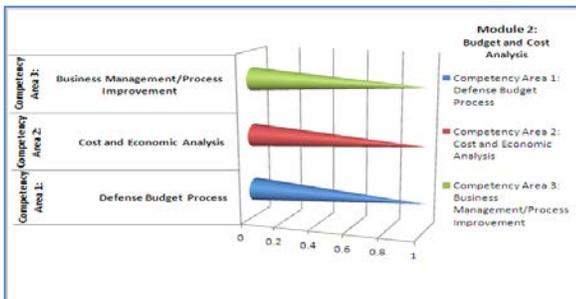
**Competency Area Three:** This area deals with the financial manager’s knowledge of:

- Training;
- Conflict resolution;
- Performance appraisal;
- EEO complaint resolution; and
- Improving poor performance.

**Competency Area Four:** This area deals with the financial manager’s knowledge of:

- The Federal Managers’ Financial Integrity Act of 1982;
- Comptroller General Standards for Internal Controls in the Federal Government; and
- Applicable Federal government and DoD management control guidance and regulations.

## Module Two: Budget and Cost Analysis



Source: [www.asmcnline.org](http://www.asmcnline.org) and EDFMTC Textbook (copyright March 2000, revised October 2011)

**Competency Area One:** This area deals with the financial manager’s knowledge of:

- The DoD budget formulation, review and execution;
- OMB Circulars and implementation of DoD guidance;
- Relationships among, and use of, appropriations and funds;
- The stages of funds execution;
- Reimbursable and support agreements;
- Flow of funds; and
- The DoD programming process, terminology, and products.

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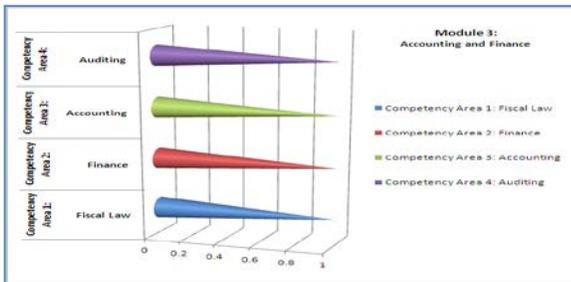
**Competency Area Two:** This area deals with the financial manager’s knowledge of:

- Mathematical and statistical methods;
- Cost estimating techniques;
- Benefit analysis including payback, return on investment and present value;
- System acquisition and life-cycle management policies;
- DoD Cost Guidance;
- Concepts and principles for Activity-Based Costing; and
- Acquisition concepts, principles and processes.

**Competency Area Three:** This area deals with the financial manager’s knowledge of:

- The concepts of Business Process Reengineering;
- Special authority to use receipts;
- Government Performance and Results Act of 1993; and
- Directives and regulations related to the performance of commercial activities.

## Module Three: Accounting and Finance



Source: [www.asmcnline.org](http://www.asmcnline.org) and EDFMTC Textbook (copyright March 2000, revised October 2011)

**Competency Area One:** This area deals with the financial manager’s knowledge of:

- The law regarding availability of appropriation as to the purpose, time and amount;
- Applicable Comptroller General decisions;
- Special purpose laws (credit reform, foreign assistance, arms export control acts);
- Penalties and sanctions applicable under law;
- The Anti-Deficiency Act (as applied to appropriation limitations);
- Allotment or project executions; and
- Authorization and appropriation acts including the interrelationship and respective roles, reporting and notification requirements.

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**Competency Area Two:** This area deals with the financial manager's knowledge of:

- Rules concerning military and civilian pay, travel entitlements, vendor payments, electronic commerce and debt management; and
- Public funds internal controls and responsibility.

**Competency Area Three:** This area deals with the financial manager's knowledge of:

- Federal accounting procedures and practices.

**Competency Area Four:** This area deals with the financial manager's knowledge of:

- Comptroller General's Generally Accepted Government Auditing Standards (often called simply the Yellow Book);
- DoD audit policies and procedures, documentation requirements, reporting requirements, audit program development criteria, frequency review criteria and requirements; and
- Constraints on non-audit services.



# The Eight Week CDFM Study Plan

Before you can even begin to use my study plan, I strongly encourage you to register for, and attend, the [Enhanced Defense Financial Management Training Course \(EDFMTC\)](#). In fact, the EDFMTC is actually aligned with the Department of Defense Financial Management Certification Program (DFMCP) in the following competencies:

• Accounting Concepts, Policies and Principles	Proficiency Level 3	Hours: 6
• Audit Concepts, Policies and Principles	Proficiency Level 3	Hours: 3
• Budget Concepts, Policies and Principles	Proficiency Level 3	Hours: 8
• Budget Execution	Proficiency Level 3	Hours: 5
• Budget Formulation, Justification and Presentation	Proficiency Level 3	Hours: 4
• Decision Support	Proficiency Level 1	Hours: 5
• Financial Concepts, Policies and Principles	Proficiency Level 3	Hours: 4
• Financial Management Analysis	Proficiency Level 3	Hours: 2
• Fundamentals and Operations of Budget	Proficiency Level 1	Hours: 3
	<i>*Proficiency Level 1</i>	<i>Hours: 8</i>
	<i>*Proficiency Level 3</i>	<i>Hours: 32</i>

In most services within the DoD, this training course is centrally funded. Of note, the textbook used in the EDFMTC [can also be purchased](#) without actually taking the class by visiting the ASMC website.

The [EDFMTC textbook](#) is used as the “actual” foundation for my eight-week CDFM study plan. Therefore, before you can use and benefit from my study plan, you absolutely must obtain a copy of the EDFMTC textbook in order to be most effective during your study period, and to ultimately pass the CDFM examinations. Please note that the EDFMTC textbook is updated annually to remain current with DoD policies, procedures and legislation related to defense financial management.

Essentially, my eight-week CDFM study plan is based on the assumption that you will set aside at least four (4) hours of study time per day. Additionally, the plan mandates that each week of study begin with Monday and extend through Sunday. Also, in order for this CDFM study plan to work and flow properly, you will have to [purchase each of the three CDFM module examinations](#) *two weeks prior to when you are directed to test in this plan*, and as outlined below:

- Take the CDFM **Module One** examination on the Saturday in week four – purchase on the Friday in week two.
- Take the CDFM **Module Two** examination on the Saturday in week six – purchase on the Friday in week four.



- Take the CDFM **Module Three** examination on the Saturday in week eight – purchase on the Friday in week six.

This test schedule is absolutely essential. Therefore, you must first block off an eight-week period of time to actually study, purchase and take the CDFM examinations as required.

The eight-week CDFM study plan is outlined below.

## Week One

**Monday through Friday:** Read the Enhanced Defense Financial Management Training Course (EDFMTC) textbook straight through – like a book or novel – for a minimum of four (4) hours each day. Read it as many times as possible within the four-hour period. Remember...you are reading for comprehension. This approach will provide you with a very thorough overview of the entire DoD, the key personnel and the workings of the department. This is essential! You will not be able to pass the examination until you have manipulated your mind to think, understand and comprehend like a DoD financial management analyst. These five days will allow you to transform your thinking process completely as required.

**Saturday and Sunday:** These two days are for rest and relaxation. Do not read or study on these two days. However, you are to think and reminisce on the information that you have ascertained during the first five days as spelled out above.

## Week Two

**Repeat the Monday through Sunday schedule outlined in Week One.**

**Friday:** [Purchase the CDFM Module One examination.](#)

## Week Three – Module One (*Use Only the [EDFMTC Textbook](#)*)

**Monday through Friday:** Follow the steps in the chart below for Module One competency one through four, respectively. However, note that on Friday you must follow these steps for both Module One competency five and the fiscal law competency.



Steps Required for Each Competency:
<b>Step One:</b> Read Straight Through Every Page of This Competency.
<b>Step Two:</b> Take Your Time and Answer Each Question of the Knowledge Check of this Competency.
<b>Step Three:</b> Go Back and Read, Extensively, All of the Information in the "SQUARE" Boxes, ONLY!
<b>Step Four:</b> Read Straight Through Every Page of This Competency, AGAIN!
<b>Step Five:</b> Take Your Time and Answer Each Question of the Knowledge Check of This Competency, AGAIN!

**Saturday and Sunday:** These two days are for rest and relaxation. Do not read or study during these days. However, you are to think and reminisce on the information that you have ascertained during the first five days as spelled out above.

### **Week Four – Module One (Use Only the EDFMTC Textbook)**

**Monday through Friday:** Follow the steps in the chart above for Module One competency one through four, respectively. Note that on Friday, however, you must follow these steps for both Module One competency five and the fiscal law competency.

**Friday:** [Purchase the CDFM Module Two examination.](#)

**Saturday:** You must go to the designated location (Prometrics testing center or base education center) and “take” the CDFM Module One examination!

**Sunday:** You rest!

### **Week Five – Module Two (Use Only the EDFMTC Textbook)**

**Monday through Friday:** On Monday and Tuesday, follow the steps in the chart below for Module Two competency one only. Note that Wednesday through Friday you must follow these steps for Module Two competency two, three and the fiscal law competency, respectively.

Steps Required for Each Competency:
<b>Step One:</b> Read Straight Through Every Page of This Competency.
<b>Step Two:</b> Take Your Time and Answer Each Question of the Knowledge Check of this Competency.
<b>Step Three:</b> Go Back and Read, Extensively, All of the Information in the "SQUARE" Boxes, ONLY!
<b>Step Four:</b> Read Straight Through Every Page of This Competency, AGAIN!
<b>Step Five:</b> Take Your Time and Answer Each Question of the Knowledge Check of This Competency, AGAIN!



**Saturday and Sunday:** These two days are for rest and relaxation. Do not read or study during these days. However, you are to think and reminisce on the information that you have ascertained during the first five days as spelled out above.

### **Week Six – Module Two (Use Only the EDFMTC Textbook)**

**Monday through Friday:** On Monday and Tuesday, follow the steps in the chart above for only Module Two competency one. However, on Wednesday through Friday, you must follow these steps for Module Two competency two, three and the fiscal law competency, respectively.

**Friday:** [Purchase the CDFM Module Three examination.](#)

**Saturday:** You must go to the designated location (Prometrics testing center or base education center) and “take” the CDFM Module Two examination!

**Sunday:** You rest!

### **Week Seven – Module Three (Use Only the EDFMTC Textbook)**

**Monday through Friday:** On Monday and Tuesday, follow the steps in the chart below for Module Three competency one only. Note that on Wednesday through Friday, you must follow these steps for Module Three competency two, three and the fiscal law competency, respectively.

<b>Steps Required for Each Competency:</b>
<b>Step One:</b> Read Straight Through Every Page of This Competency.
<b>Step Two:</b> Take Your Time and Answer Each Question of the Knowledge Check of this Competency.
<b>Step Three:</b> Go Back and Read, Extensively, All of the Information in the "SQUARE" Boxes, ONLY!
<b>Step Four:</b> Read Straight Through Every Page of This Competency, AGAIN!
<b>Step Five:</b> Take Your Time and Answer Each Question of the Knowledge Check of This Competency, AGAIN!

**Saturday and Sunday:** These two days are for rest and relaxation. Do not read or study during these days. However, you are to think and reminisce on the information that you have ascertained during the first five days as spelled out above.

### **Week Eight – Module Three (Use Only the EDFMTC Textbook)**

**Monday through Friday:** On Monday and Tuesday, follow the steps in the chart above for Module Three competency one only. However, on Wednesday through Friday you must follow these steps for Module Three competency two, three and the fiscal law competency, respectively.



**Saturday:** You must go to the designated location (Prometrics testing center or base education center) and “take” the CDFM Module Three examination!

**Sunday:** You rest!



## Motivational Points to Remember and Execute

In order to successfully pass the CDFM certification examinations, you will need money. Therefore, in closing I am going to give you just that – money. That’s right, M-O-N-E-Y! Okay, not literally, but figuratively. In order to successfully pass the CDFM examinations you will need the following:

**M – Motivation:** You have to develop a motive or a purpose as to why you want to become a Certified Defense Financial Manager (CDFM). Is it because you want a promotion? Is it because you want the designation behind your name? Is it for respect? Is it for sheer educational reasons or purposes? Is it due to the professional certification and credentialing standards outlined for defense financial managers in the DoD Authorization Act FY2012? Regardless of your reason or motive, you must discover that purpose. Once you discover that motive, you can then begin to act on that motive. Motive plus action equals Motivation! Motivation is a motive acted upon. You must develop a motive, act on that motive, display that motivation and stay motivated! All successful individuals share this attribute.

**O – Opportunity:** You must take advantage of every opportunity that presents itself to learn and to study. For example, research and find out where the [Enhanced Defense Financial Management Training Course \(EDFMTC\)](#) is being offered, sign up and take it. The course is centrally funded – it is free! Take advantage of mentors, advice and articles such as this one, which will help you study and obtain your CDFM. [Seek reimbursement](#) for the CDFM examinations you successfully pass – an opportunity to test at no expense to you. It is absolutely essential that you look for every opportunity possible.

**N – Network:** Seek out those who have already earned the CDFM and network with them. Exchange business cards. Ask for advice and recommendations on preparing for the CDFM examinations. Network during each and every opportunity that you have with someone you know that has successfully passed the CDFM examinations. You will find this networking to be tremendously helpful.

**E – Education:** Set a goal to become more educated each and every day. Take just 30 minutes to an hour each day to study a segment of one of the modules associated with the CDFM. This will help increase your knowledge and make you smarter in the field of defense financial management, whether or not you are about to take the CDFM examinations. Broadening your education will help you with your everyday work environment and associated responsibilities, regardless of the branch of service you work for. Remember, the CDFM is DoD specific.

**Y – You:** Finally, it is all about Y-O-U! Will you develop a motive and/or a reason or purpose to take the CDFM examinations? Will you put that motive into action and demonstrate and develop motivation to study and pass the CDFM examinations? Will you take advantage of every opportunity



to take classes, including the [EDFMTC](#)? Will you take the opportunity to become an “expert” in DoD financial management? Will you work to achieve the CDFM so that you stand out, separating yourself

from your peers and the average financial manager? Will you educate yourself on a daily basis? Will you use this eight-week CDFM study plan and start preparing to test for your CDFM designation? Will you take this M-O-N-E-Y? Will you become a Certified Defense Financial Manager (CDFM) in eight weeks?

It’s your career and your future...you are in the driver’s seat and control your own destiny!