

## **Content Outline of the Body of Knowledge**

The CLM Certification exam questions are representative of the functional areas below. The percentages listed indicate how each area of knowledge is emphasized on the test.

### **I. Financial Management 31%**

#### **A. General Accounting 14%**

- Knowledge of general accounting procedures, systems, terms, concepts and policies, including familiarity with general ledger, general journal entries, cost accounting, fixed asset accounting, accounts receivable, and accounts payable.
- Knowledge of banking/investment policies and procedures and types of accounts.
- Knowledge of trust accounting procedures and regulations.
- Knowledge of U.S. federal payroll and employee benefit procedures, and tax and reporting requirements (e.g., Internal Revenue Service Code).
- Knowledge of legal organization structures and the laws and regulations regarding accounting procedures for each structure, including tax reporting requirements.
- Knowledge of special issues in accounting for law firm operations, including time and billing systems, alternative billing methods, collection procedures, cost recovery guidelines and electronic billing.

#### **B. Financial Information and Analysis 17%**

- Knowledge of financing methods and investments (e.g., lease vs. buy).
- Knowledge of methods of financial analysis, including reading and interpreting financial statements, calculating and interpreting various financial ratios, conducting profit analyses, and analyzing comparative financial information across fiscal years.
- Knowledge of budgeting, financial reporting, cash flow analysis, model building, and variance analysis.
- Knowledge of alternative fee arrangements (e.g., bonus based, flat fee, task based, volume discounts).
- Knowledge of financial controls (e.g., division of responsibilities).
- Knowledge of client matter budgeting as it relates to electronic billing and/or allocation of firm time and resources.

### **II. Human Resources Management 33%**

#### **A. Employee Selection and Promotion 9%**

- Knowledge of procedures and tools for recruiting, selecting, and promoting employees.
- Knowledge of U.S. federal employment laws (e.g., Civil Rights Act of 1991, Americans with Disabilities Act [ADA], Uniformed Services Employment and Reemployment Rights Act [USERRA]).

#### **B. Performance Management and Compensation 19%**

- Knowledge of U.S. federal employee benefit laws (e.g., Consolidated Omnibus Budget Reconciliation Act [COBRA], Fair Labor Standards Act [FLSA], Family and Medical Leave Act [FMLA], Health Insurance Portability and Accountability Act [HIPAA], Employee Retirement Income Security Act [ERISA]).
- Knowledge of performance management systems (e.g., appraisal, disciplinary, and termination procedures).
- Knowledge and expertise in personnel training and development systems/methods.
- Knowledge of employee motivational techniques.
- Knowledge of incentives/rewards systems (compensation, employee benefits).

- Knowledge of substance abuse issues in the workplace (e.g., intervention techniques, assessment and treatment resources).

**C. Organizational Development 5%**

- Knowledge of leadership styles and techniques.
- Knowledge of team development and management principles (e.g., self-directed teams, team building).
- Knowledge of organizational development techniques (e.g., change management).
- Knowledge and skill in negotiation and conflict management techniques.

**III. Legal Industry/Business Management 19%**

**A. Business Management 11%**

- Knowledge of business development techniques, including market analysis and business development tools (e.g., social media, website design, search engine optimization).
- Knowledge of laws and regulations regarding business insurance coverages.
- Knowledge of planning techniques (e.g., strategic, disaster, and business planning).

**B. Legal Industry 8%**

- Knowledge of the American Bar Association Model Rules of Professional Ethics as it pertains to law firm management (e.g., conflict of interest, advertising, client file management).
- Knowledge of professional liability issues.
- Knowledge of changes/trends in the legal industry.
- Knowledge of records management and retention requirements (e.g., requirements for paper and electronic documents, discovery holds and requests).

**IV. Operations Management 17%**

**A. Technology/Automation Management 5%**

- Knowledge of the features and capabilities of the Internet, web-based technology, hardware and software systems, including security and confidentiality.
- Knowledge of electronic privacy issues.

**B. Operations 12%**

- Knowledge of facilities management procedures and techniques.
- Knowledge of lease/contract agreements.
- Knowledge of project management.
- Knowledge of work health issues (e.g., ergonomic work stations, EAPs).
- Knowledge of space assessment, design, and development strategies.