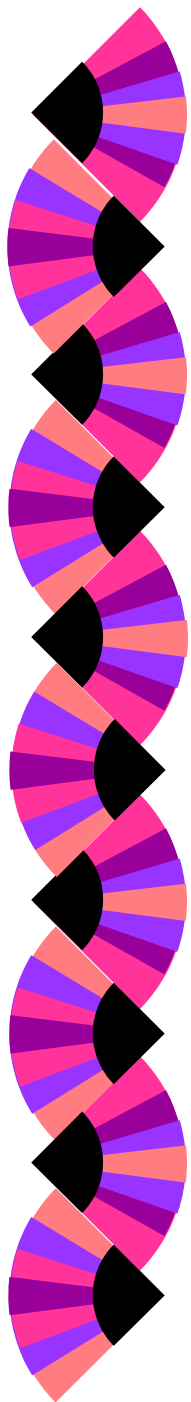




Attachment B to the
OMB Circular A-122

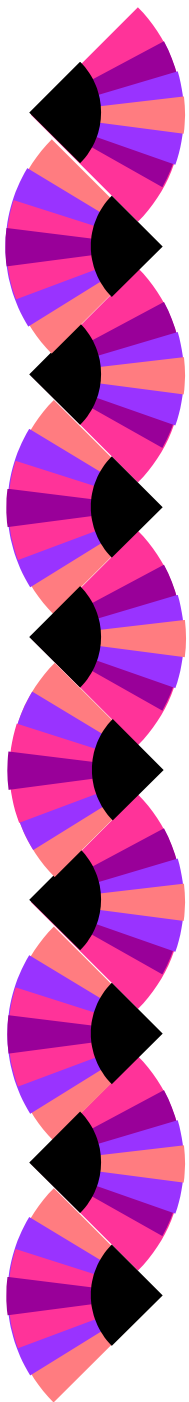
ATTACHMENT 4

True / False Exercise



True or False

- ▶ **Payments for authorized leave are allowable, provided such costs are absorbed by all organization activities in proportion to the relative amount of time or effort actually devoted to each.**
- ▶ **Answer:**
True _____ **False** _____
- ▶ **Circular**
Site: _____



True or False

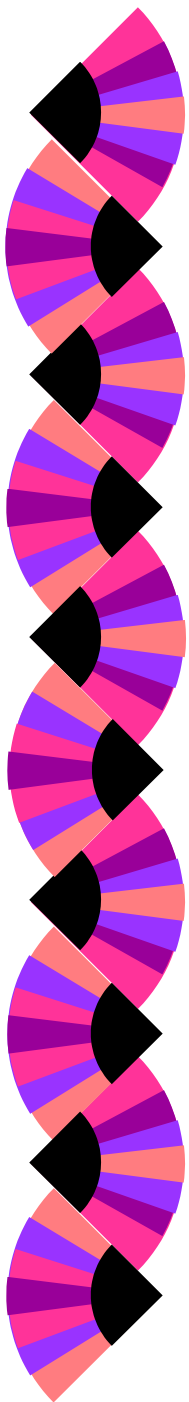
- **The Circular has been revised to allow "light alcoholic" beverages.**

- **Answer:**

True _____ **False** _____

- **Circular**

Site: _____



True or False

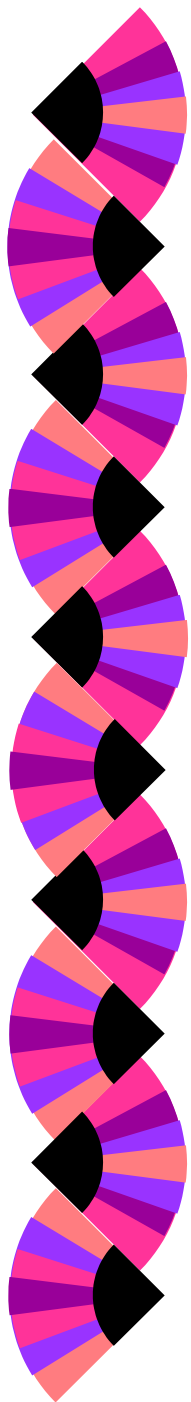
- **Costs associated with reorganizing are allowable without awarding agency approval if the costs are all related to payments to parties outside the organization.**

• **Answer:**

True _____ **False** _____

• **Circular**

Site: _____

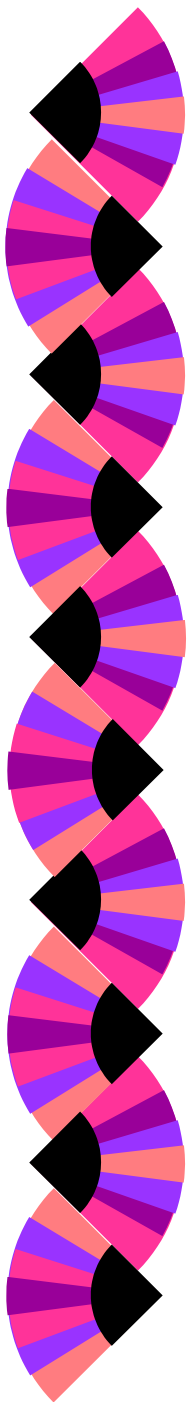


True or False

- ▶ **Advertising costs associated with the disposal of surplus materials are not allowable where all disposal costs are reimbursed based on a standard rate as specified in the grants management common rule.**

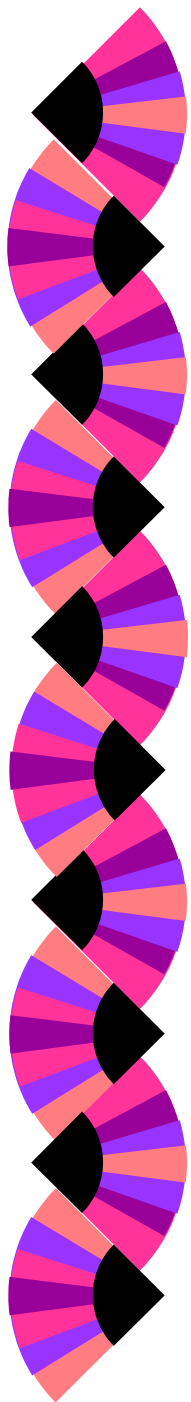
▶ **Answer:**
True _____ False _____

▶ **Circular**
Site: _____



True or False

- ▶ **Charges for use allowances or depreciation must be supported by adequate property records and physical inventories must be taken at least every 3 years.**
- ▶ **Answer:**
True _____ False _____
- ▶ **Circular**
Site: _____



True or False

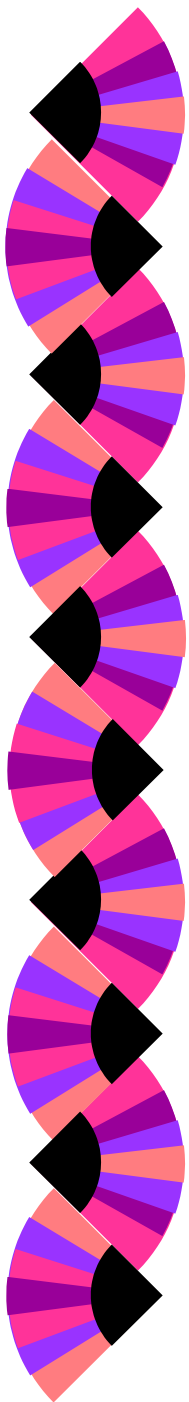
- Public relations costs are allowable for the costs of meeting rooms, hospitality suites, and other special facilities used in conjunction with shows and other events.

Answer:

True _____ False _____

Circular

Site: _____



True or False

▶ **The cost of data processing services is allowable.**

▶ **Answer:**

True _____ **False** _____

▶ **Circular**

Site: _____



True or False

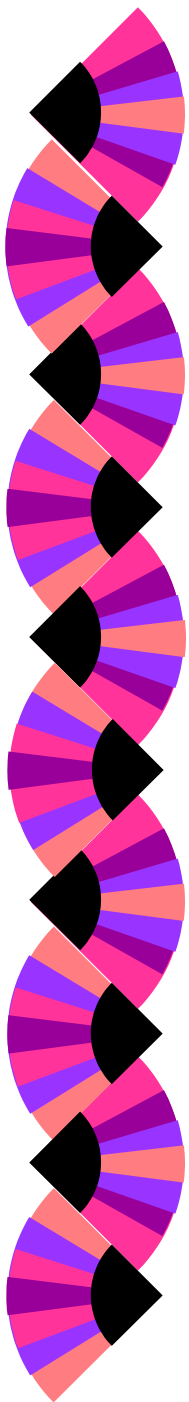
- **The costs associated with E-mail and cellular phones is unallowable.**

• **Answer:**

True _____ **False** _____

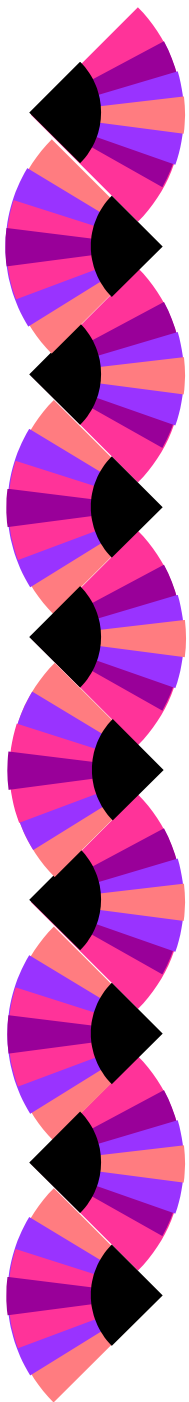
• **Circular**

Site: _____



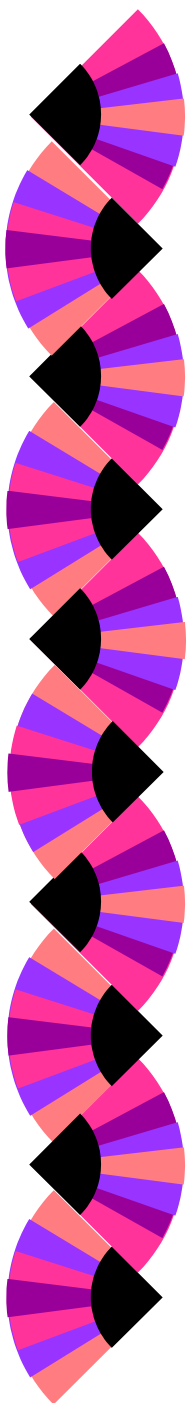
True or False

- ▶ **Fines and penalties incurred by an organization as a result of compliance with specific provisions of an award or instructions in writing from the awarding agency are allowable.**
- ▶ **Answer:**
True _____ **False** _____
- ▶ **Circular**
Site: _____



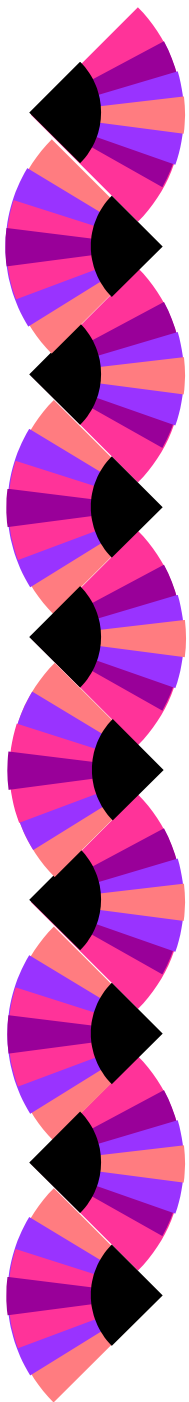
True or False

- ▶ **Accrual of costs to cover abnormal or mass severance pay is conjectural in nature but is allowable when charged as an indirect cost.**
- ▶ **Answer:**
True _____ False _____
- ▶ **Circular Site:** _____



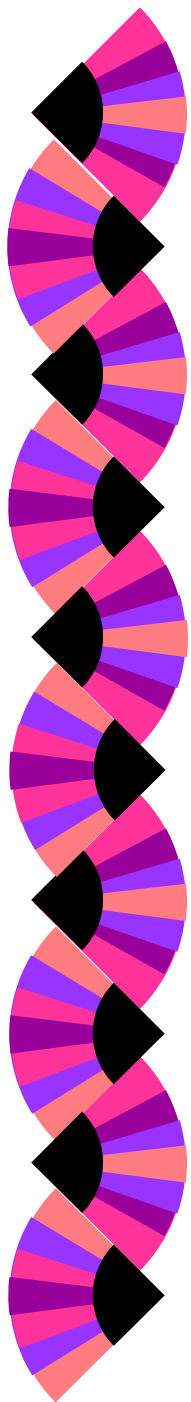
True or False

- ▶ Pension costs calculated using a GAAP actuarial method are allowable for a given fiscal year if they are funded for that year within 12 months after the end of that year.
- ▶ Answer:
True _____ False _____
- ▶ Circular
Site: _____



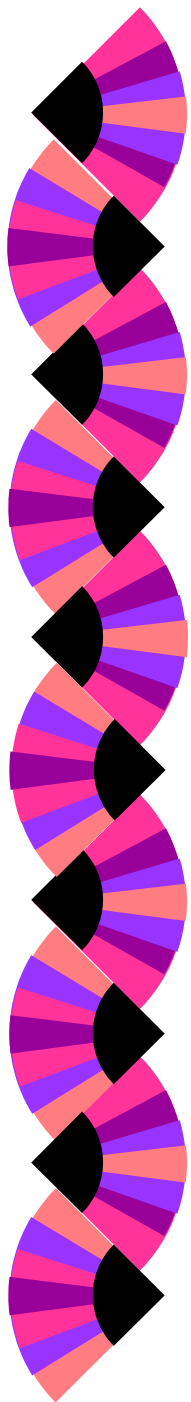
True or False

- **The value of donated services is now reimbursable as either a direct or indirect cost.**
- **Answer:**
True _____ **False** _____
- **Circular**
Site: _____



True or False

- **The use allowance for equipment will be computed at an annual rate not exceeding $6\frac{2}{3}$ % of acquisition cost.**
- **Answer:**
True _____ False _____
- **Circular**
Site: _____

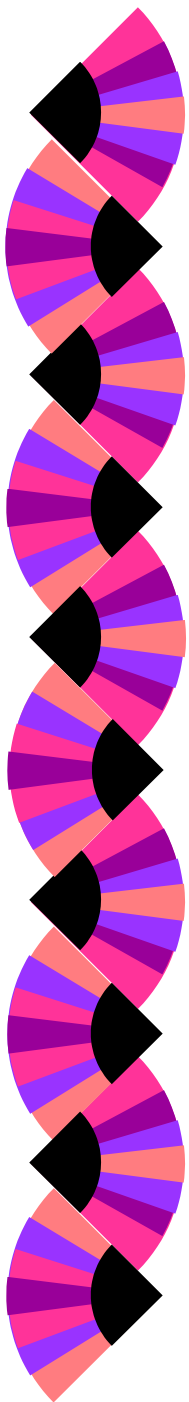


True or False

- **Cost of entertainment, including amusement diversion and social activities are allowable as long as the governmental unit has a written "no smoking" policy.**

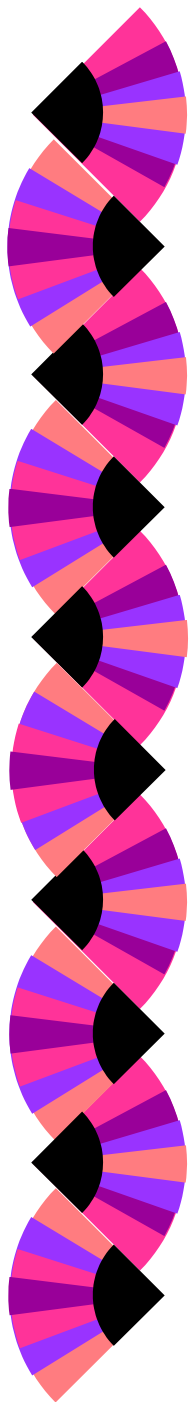
• **Answer:**
True _____ **False** _____

• **Circular**
Site: _____



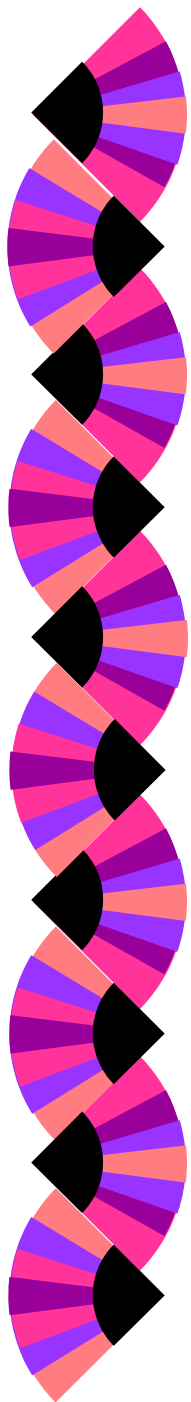
True or False

- **The cost of organized fund raising to save animals covered under the "Endangered Species Act of 1998" are allowable.**
- **Answer:**
True _____ **False** _____
- **Circular**
Site: _____



True or False

- **That portion of the cost of organization- furnished automobiles that relates to personal use is allowable as a fringe benefit cost if it is reported as taxable income.**
- **Answer:**
True _____ False _____
- **Circular**
Site: _____



True or False

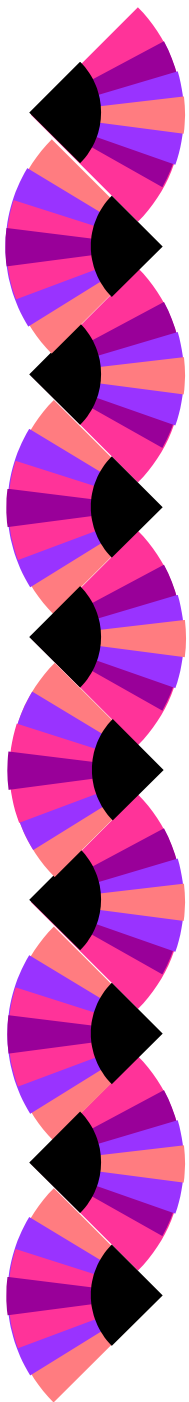
- **Because of the projected federal budget surplus, the Circular was amended to allow federal programs to pay for the under-recovery of indirect cost by programs that do not pay their "fair share" of indirect costs.**

• **Answer:**

True _____ **False** _____

• **Circular**

Site: _____



True or False

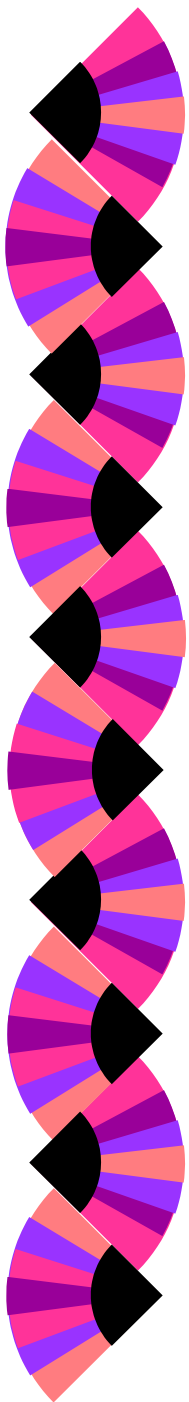
• **The cost of recreational facilities is allowable.**

• **Answer:**

True _____ **False** _____

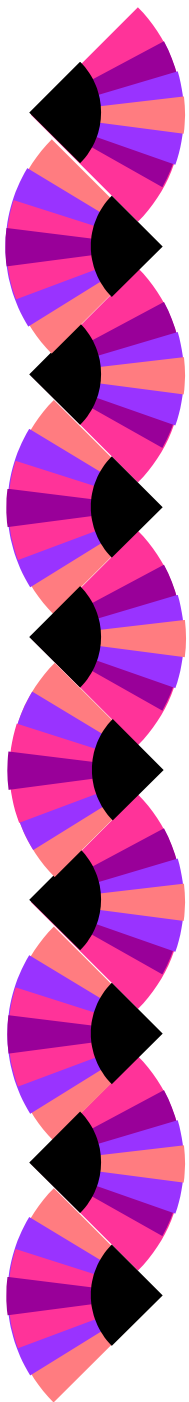
• **Circular**

Site: _____



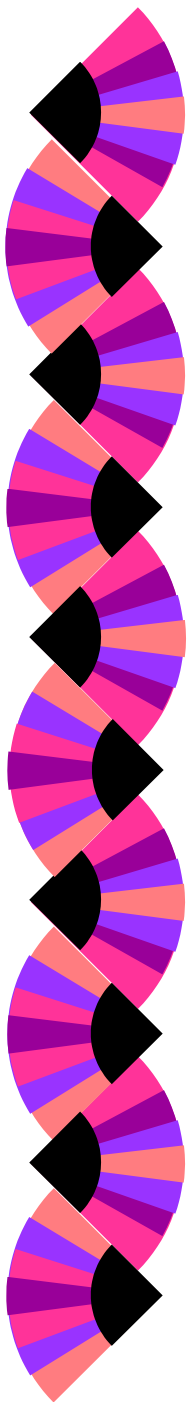
True or False

- ▶ **The costs of commercial insurance that protects against the costs of the contractor for correction of the contractor's own defects in materials or workmanship are allowable.**
- ▶ **Answer:**
True _____ False _____
- ▶ **Circular**
Site: _____



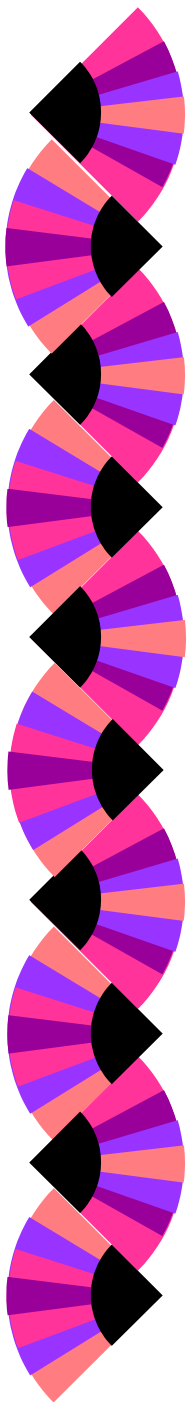
True or False

- **Costs of idle facilities are allowable if they are necessary to meet fluctuations in workload.**
- **Answer:**
True _____ **False** _____
- **Circular**
Site: _____



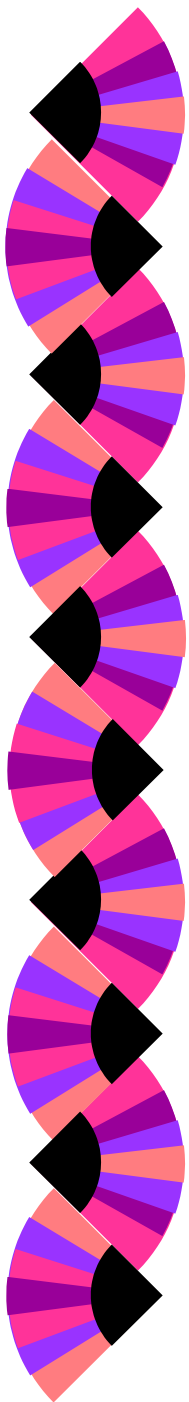
True or False

- ▶ **Premium for overtime pay for employees performing indirect functions are allowable without prior federal approval.**
- ▶ **Answer:**
True _____ **False** _____
- ▶ **Circular**
Site: _____



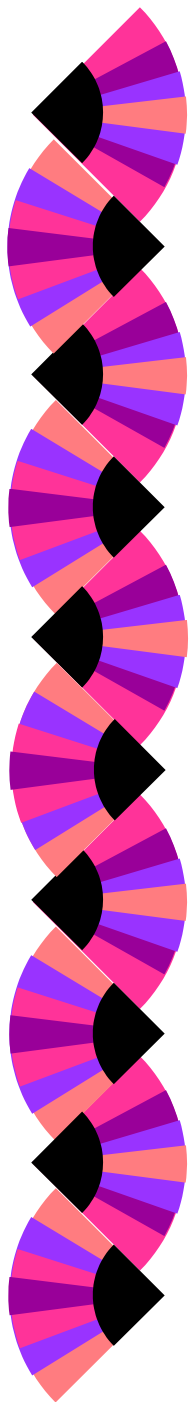
True or False

- **Costs of membership in any civic or community organization are allowable with prior approval by the Federal cognizant agency.**
- **Answer:**
True _____ False _____
- **Circular**
Site: _____



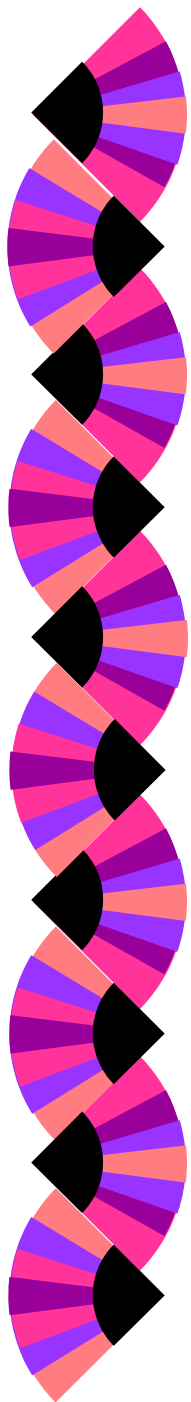
True or False

- ▶ **Employee counseling services are unallowable because these types of expenses are considered to be of a "personal" nature and not chargeable to Federal awards.**
- ▶ **Answer:**
True _____ **False** _____
- ▶ **Circular**
Site: _____



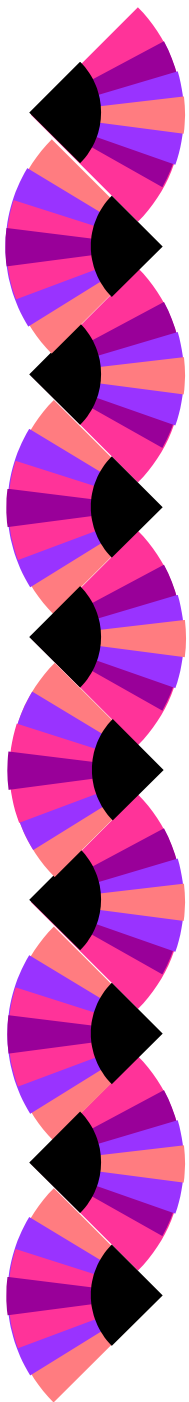
True or False

- **Costs incurred in maintaining satisfactory relations between the organization and its employees, including costs of labor management committees, employee publications, and other related activities are allowable.**
- **Answer:**
True _____ False _____
- **Circular**
Site: _____



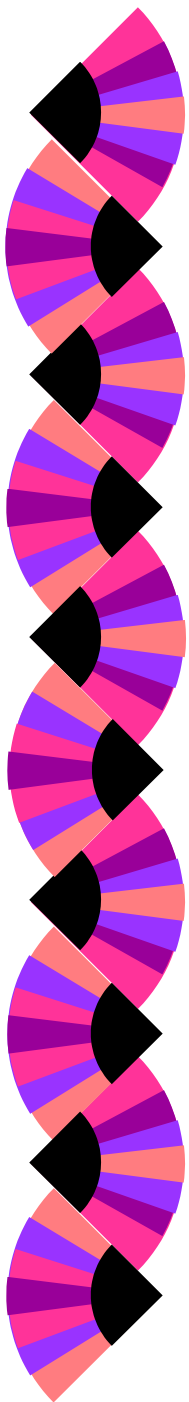
True or False

- **Costs associated with the collection of bad debts, when related to the organization's indirect cost staff, are allowable as indirect costs.**
- **Answer:**
True _____ **False** _____
- **Circular**
Site: _____



True or False

- ▶ **Professional and consultant services rendered by persons or organizations that are members of a particular profession that renders services contingent upon recovery of costs from the Federal Government are allowable.**
- ▶ **Answer:**
True _____ False _____
- ▶ **Circular**
Site: _____



True or False

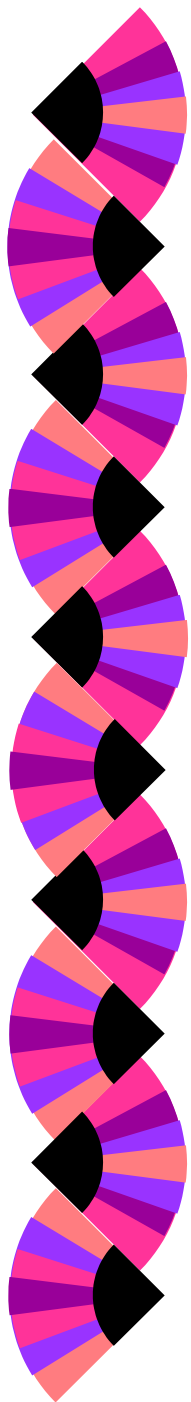
Recovery of indirect cost has been capped at 26%.

Answer:

True _____ False _____

Circular

Site: _____



True or False

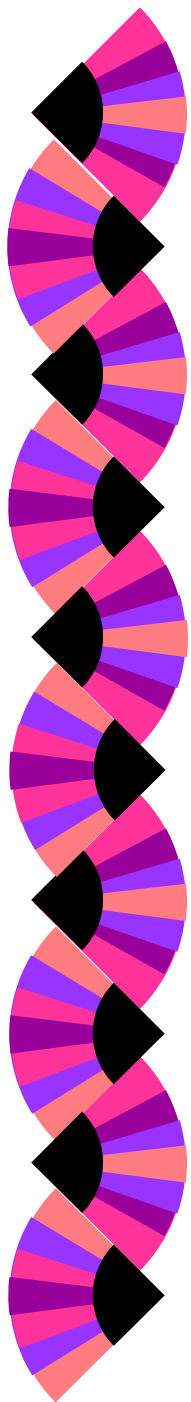
- Organizations that receive more than 10 million in Federal funding of direct cost in a fiscal year must breakout indirect cost into administration and facilities.

Answer:

True _____ False _____

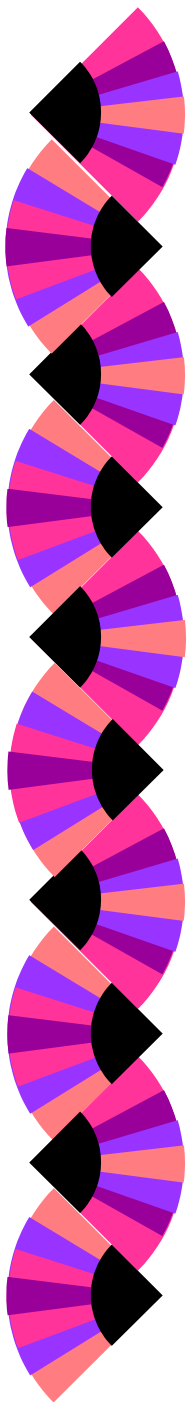
Circular

Site: _____



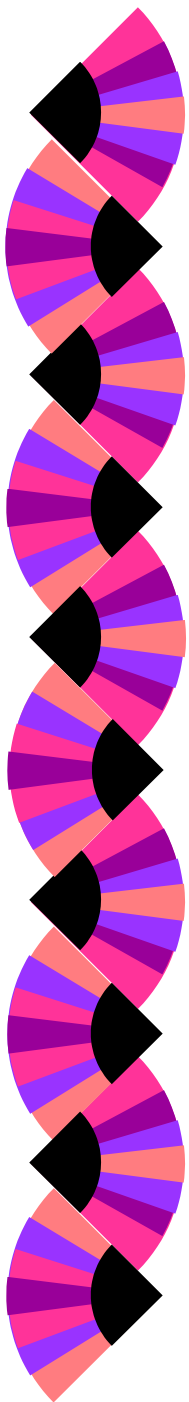
True or False

- **Costs incurred to restore a unit's facilities to approximately the same condition existing prior to the commencement of Federal awards, including costs related to normal wear and tear, are allowable.**
- **Answer:**
True _____ **False** _____
- **Circular**
Site: _____



True or False

- **Fund raising and investment activities belong in the "base" and shall be allocated their "fair share" of indirect costs.**
- **Answer:**
True _____ **False** _____
- **Circular**
Site: _____



True or False

- **Normally, the cost of lobbying activities are unallowable but costs associated with legislative liaison activities are allowable.**
- **Answer:**
True _____ False _____
- **Circular**
Site: _____



True or False

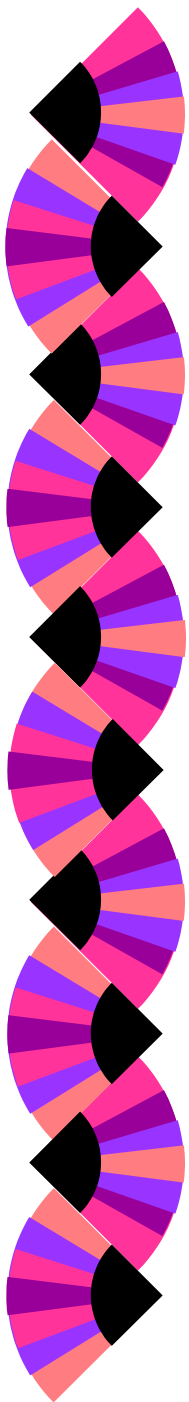
- ▶ **Travel and subsistence costs of trustees (or directors) are allowable.**

- ▶ **Answer:**

True _____ **False** _____

- ▶ **Circular**

Site: _____



True or False

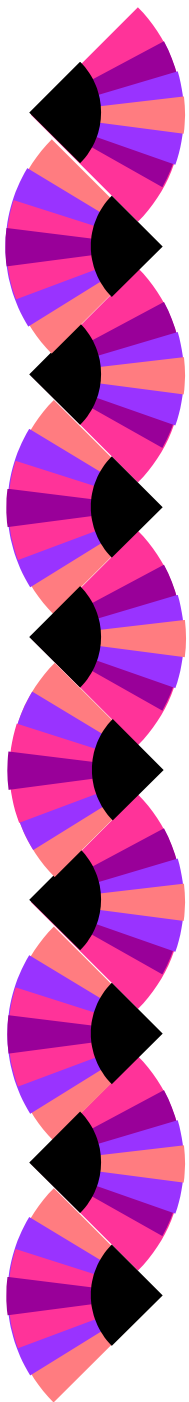
- ▶ If a specific item of cost is not mentioned in Attachment B, the implication is that the cost is unallowable.

▶ Answer:

True _____ False _____

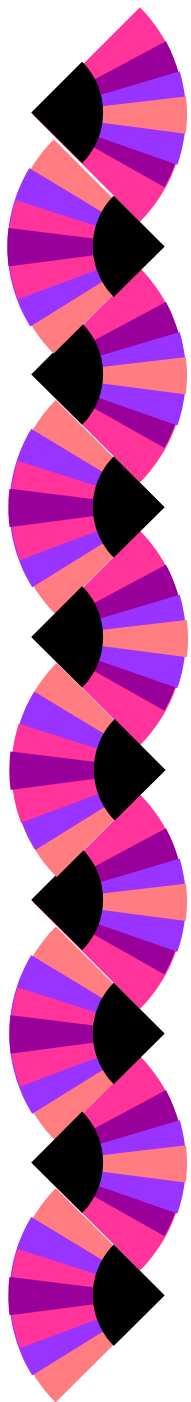
▶ Circular

Site: _____



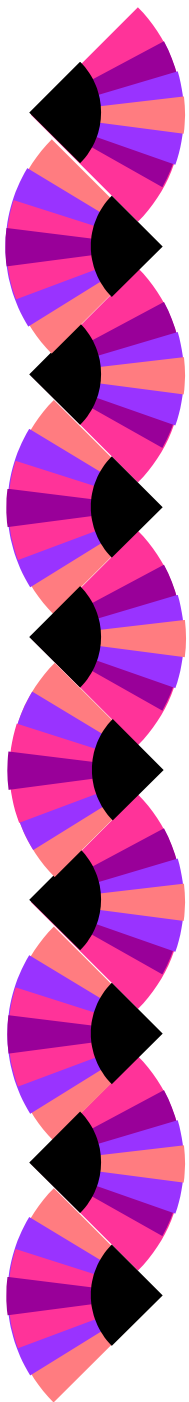
True or False

- **Costs of promotional items and memorabilia are allowable as indirectly charged public relations costs.**
- **Answer:**
True _____ **False** _____
- **Circular**
Site: _____



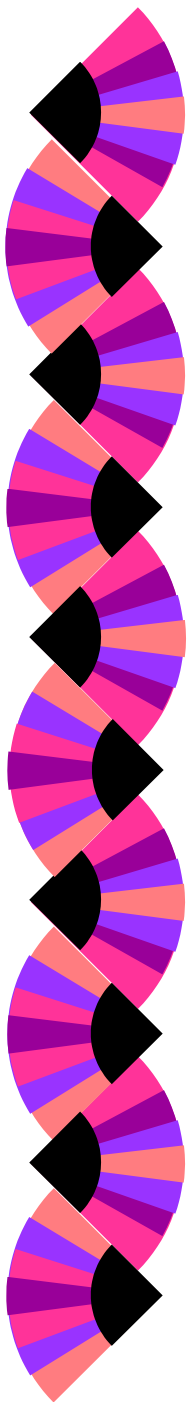
True or False

- **If the organization's capitalization level is \$5,000, items of equipment with an acquisition cost of less than \$5,000 are considered to be supplies and are allowable as direct costs without specific awarding agency approval.**
- **Answer:**
True _____ False _____
- **Circular**
Site: _____



True or False

- **Special arrangements and alterations of facilities incurred specifically for a Federal award are allowable as indirect costs.**
- **Answer:**
True _____ False _____
- **Circular**
Site: _____



True or False

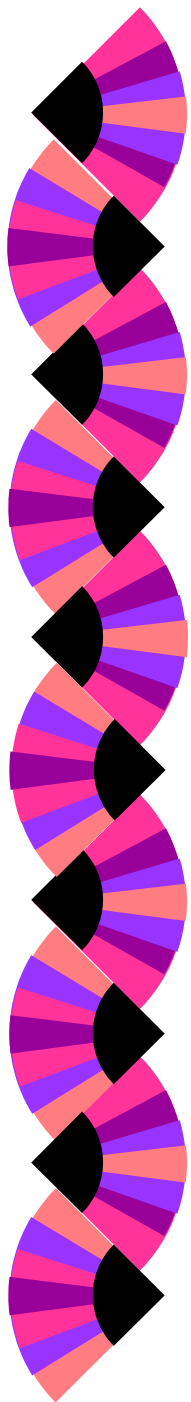
- **Under a less-than-arms-length lease, rental costs are allowable only up to the amount that would be allowed had title to the property vested in the organization.**

• **Answer:**

True _____ **False** _____

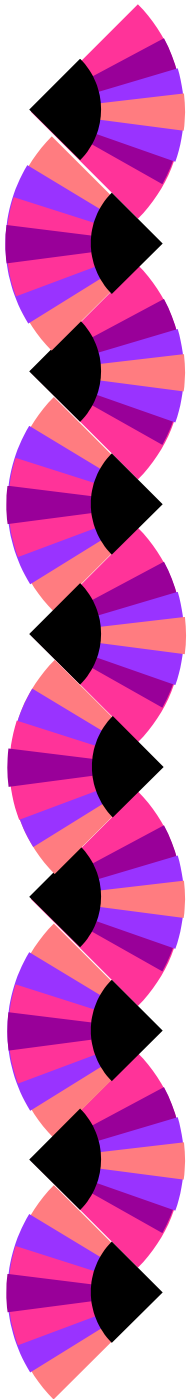
• **Circular**

Site: _____



True or False

- **Costs associated with an organization's subscription to a "pornographic periodical" are allowable for employee morale purposes.**
- **Answer:**
True _____ **False** _____
- **Circular**
Site: _____



THE END