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:__________________________
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 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:____________________________
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