

# CFI 100 Certifying Officer and Accountable Official Course Practice Test (Sample)

## Study Guide



**Everything you need from our exam experts!**

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# Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

**Remember:** successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

# How to Use This Guide

**This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:**

## **1. Start with a Diagnostic Review**

**Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.**

## **2. Study in Short, Focused Sessions**

**Break your study time into manageable blocks (e.g. 30 - 45 minutes). Review a handful of questions, reflect on the explanations.**

## **3. Learn from the Explanations**

**After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.**

## **4. Track Your Progress**

**Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.**

## **5. Simulate the Real Exam**

**Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.**

## **6. Repeat and Review**

**Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.**

**There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!**

## Questions

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- 1. If a cost transfer involves co-mingled ineligible costs, what is required?**
  - A. Prior approvals are required when the transfer involves co-mingled ineligible costs.**
  - B. There is no need for approvals.**
  - C. Transfers are never allowed.**
  - D. Only a budget amendment is needed.**
  
- 2. How can environmental compliance affect grant expenditures?**
  - A. Some programs require compliance with environmental laws; noncompliance can render costs unallowable.**
  - B. Environmental compliance has no impact on allowability.**
  - C. It only affects reporting frequency.**
  - D. Compliance guarantees funding if environmental laws are followed.**
  
- 3. Which approach best ensures reliable performance outcomes over the duration of a grant?**
  - A. Rely only on qualitative feedback.**
  - B. Skip baselines and targets.**
  - C. Align metrics with program objectives, establish baselines, measurable targets, and regular data collection.**
  - D. Collect data irregularly.**
  
- 4. Which factors should guide professional judgment in determining allowability?**
  - A. Only the grant budget.**
  - B. Reasonableness, regulatory requirements, project context, and documentary support.**
  - C. Personal beliefs.**
  - D. The opinions of vendors.**
  
- 5. If you sign a payment that results in an erroneous payment, what liability applies?**
  - A. Administrative penalties only**
  - B. No liability**
  - C. Pecuniary liability**
  - D. Criminal liability automatically**

- 6. Which type of appropriation is no longer available for any purpose?**
- A. Closed**
  - B. Open**
  - C. Active**
  - D. Deferred**
- 7. Which practice is essential for protecting personal identifying information (PII) in grant management?**
- A. Publicly posting all data for transparency.**
  - B. Protecting PII in accordance with policy.**
  - C. Disabling encryption to speed access.**
  - D. Sharing passwords among staff.**
- 8. From an accounting and funds control perspective, which of the following best describes what you would do in the implementation and evaluation steps?**
- A. Only track expenditures.**
  - B. Only ensure correct fund cite on commitment/obligation documents.**
  - C. Both ensure correct fund cite on commitment/obligation documents and track expenditures and compare them to projections.**
  - D. Develop a new budget without reviewing projections.**
- 9. Which of the following best represents indicators of potential grant fraud?**
- A. Unusual procurement patterns.**
  - B. Fictitious vendors, duplicate invoicing, altered documents, abnormal timekeeping, and unusual procurement patterns.**
  - C. Altered documents.**
  - D. Fictitious vendors.**

**10. Which of the following is true about Floors in funding?**

- A. Floors are maximum spending limits that cap costs before the end of the period of availability.**
- B. Floors refer to fixed costs that must be spent each quarter.**
- C. Floors determine how funds are carried over to the next period.**
- D. Floors are minimum amounts you can spend on a particular program by the end of the period of availability.**

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## Answers

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1. A
2. A
3. C
4. B
5. C
6. A
7. B
8. C
9. B
10. D

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## **Explanations**

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**1. If a cost transfer involves co-mingled ineligible costs, what is required?**

- A. Prior approvals are required when the transfer involves co-mingled ineligible costs.**
- B. There is no need for approvals.**
- C. Transfers are never allowed.**
- D. Only a budget amendment is needed.**

When a cost transfer involves co-mingled ineligible costs, prior approvals are required. Co-mingling means ineligible costs have been mixed with eligible ones, and moving those costs could affect how funds are allowed or allocated. The awarding agency must review and authorize any transfer that touches those ineligible amounts to ensure proper accountability and compliance with cost principles. Without that approval, the transaction risks improper charging and noncompliance with grant terms. A budget amendment by itself doesn't substitute for the agency's review and authorization, and saying transfers are never allowed isn't accurate. The correct course is to obtain the necessary prior approvals before making the transfer.

**2. How can environmental compliance affect grant expenditures?**

- A. Some programs require compliance with environmental laws; noncompliance can render costs unallowable.**
- B. Environmental compliance has no impact on allowability.**
- C. It only affects reporting frequency.**
- D. Compliance guarantees funding if environmental laws are followed.**

Environmental compliance governs whether grant expenditures are allowable. Many grant programs require adherence to environmental laws and regulations as a condition of funding. When costs are linked to activities that don't meet those requirements, they can be deemed unallowable for reimbursement. Conversely, meeting environmental requirements keeps costs eligible, but that doesn't guarantee funding by itself—the grant still depends on meeting all program terms and the availability of funds. Noncompliance can also lead to sanctions such as audit findings, withholding of funds, or the need to repay amounts already disbursed. It isn't about reporting frequency, and it isn't a no-impact factor; following environmental rules is about whether the related costs can be charged to the grant.

**3. Which approach best ensures reliable performance outcomes over the duration of a grant?**

- A. Rely only on qualitative feedback.
- B. Skip baselines and targets.
- C. Align metrics with program objectives, establish baselines, measurable targets, and regular data collection.**
- D. Collect data irregularly.

Measuring performance outcomes reliably over a grant's duration comes from tying metrics to what the program aims to achieve and keeping a steady, trackable measurement process. When metrics line up with program objectives, every data point reflects a meaningful goal rather than noise. Establishing baselines gives you a starting point to measure change and determine if progress is happening. Setting measurable targets creates clear milestones to aim for, so you can gauge whether you're on track. Regular data collection ensures you have timely, comparable information to observe trends, detect issues early, and make informed adjustments. Relying only on qualitative feedback doesn't provide the objective, trackable data needed for consistent measurement. Skipping baselines and targets removes the reference points that show whether change has occurred. Collecting data irregularly breaks the continuity needed to understand progress over time.

**4. Which factors should guide professional judgment in determining allowability?**

- A. Only the grant budget.
- B. Reasonableness, regulatory requirements, project context, and documentary support.**
- C. Personal beliefs.
- D. The opinions of vendors.

Determining allowability rests on applying professional judgment within the rules and the context of the award. Costs must be reasonable for the work performed and the circumstances, and they must comply with applicable regulatory requirements that govern the grant, including cost principles and agency policies. The project's context matters too—the cost should align with the project's scope, objectives, timeline, and funding terms. Finally, there must be documentary support—records like invoices, timesheets, and approvals—that substantiate the cost and allow for auditability. Taken together, these elements create an objective basis for judging allowability rather than relying on personal beliefs or vendor opinions, and they go beyond simply looking at the budget itself.

**5. If you sign a payment that results in an erroneous payment, what liability applies?**

- A. Administrative penalties only**
- B. No liability**
- C. Pecuniary liability**
- D. Criminal liability automatically**

The key idea is that accountable officials bear financial responsibility for disbursement errors. When you sign a payment that ends up being erroneous, you are expected to have exercised due care to prevent that loss. If the payment goes out incorrectly, pecuniary liability means you may be required to reimburse the government for the amount of the erroneous payment or overpayment. This is a monetary obligation tied to safeguarding government funds. Criminal charges or administrative penalties can apply in certain circumstances (such as fraud or willful misconduct), but they are not automatic for every erroneous payment; the default remedy in this situation is financial liability to recover the loss.

**6. Which type of appropriation is no longer available for any purpose?**

- A. Closed**
- B. Open**
- C. Active**
- D. Deferred**

Funds go through a lifecycle that determines whether they can be obligated or expended. When an appropriation is closed, its period of availability ends and the funds are permanently unavailable for any new obligation or expenditure. In other words, once closed, there's no future use for that money within that appropriation. Open or active appropriations are still usable for their authorized purposes, and deferred appropriations are held back temporarily but can become available again later. Those statuses mean some level of access remains, unlike a closed appropriation, which is no longer usable for any purpose.

**7. Which practice is essential for protecting personal identifying information (PII) in grant management?**

- A. Publicly posting all data for transparency.**
- B. Protecting PII in accordance with policy.**
- C. Disabling encryption to speed access.**
- D. Sharing passwords among staff.**

Protecting PII in accordance with policy is the essential practice because grant management involves handling sensitive information about applicants, recipients, and partners. Following established policy ensures privacy protections, regulatory compliance, and reduces the risk of data breaches that can harm individuals, undermine trust, and trigger audit findings. PII includes names, addresses, identifiers like SSNs or Tax IDs, financial data, and grant-related details; handling this data with need-to-know access, encryption, secure transmission, proper retention and destruction, and trained staff keeps it secure throughout the grant lifecycle. Aligning practice with policy balances transparency goals with privacy obligations and maintains the integrity of the grant process. Publicly posting data exposes PII; turning off encryption makes data vulnerable; sharing passwords among staff is unsafe and erodes accountability and security controls.

**8. From an accounting and funds control perspective, which of the following best describes what you would do in the implementation and evaluation steps?**

- A. Only track expenditures.**
- B. Only ensure correct fund cite on commitment/obligation documents.**
- C. Both ensure correct fund cite on commitment/obligation documents and track expenditures and compare them to projections.**
- D. Develop a new budget without reviewing projections.**

In implementation and evaluation, you actively manage funds by both ensuring obligations are charged to the correct fund and by keeping a close eye on how money is actually being spent. Verifying the correct fund cite on commitment or obligation documents is essential because it guarantees that the right funding source is being drawn from, which protects against misallocation and helps maintain fund availability for the intended purpose. At the same time, tracking expenditures and comparing them to projections provides ongoing visibility into how spending aligns with plans. This variances check supports accountability, reveals potential overruns or underutilization, and informs adjustments to forecasts or spending plans to stay within approved funding. If you focus only on tracking expenditures, you risk obfuscating where obligations are coming from and potentially draining the wrong fund. If you only ensure fund cites, you miss the important step of verifying actual performance against the budget. Developing a new budget without reviewing projections ignores the actual spending pattern and undermines prudent funds management. Therefore, the best approach combines both correct fund citing and ongoing expenditure tracking with projection comparisons.

**9. Which of the following best represents indicators of potential grant fraud?**

- A. Unusual procurement patterns.
- B. Fictitious vendors, duplicate invoicing, altered documents, abnormal timekeeping, and unusual procurement patterns.**
- C. Altered documents.
- D. Fictitious vendors.

Fraudful activity often shows up as a pattern across different parts of the grant process, not just one isolated slip. When you see a combination of indicators—fictitious vendors, duplicate invoicing, altered documents, abnormal timekeeping, and unusual procurement patterns—you’re looking at issues that touch vendor setup, billing, documentation integrity, how labor is recorded, and how purchases are made. This breadth of red flags makes the scenario much more suspect than any single signal alone, because it suggests coordinated or systemic manipulation rather than a simple clerical error. Fictitious vendors flag money flowing to entities that don’t exist; duplicate invoicing points to being billed for the same work more than once; altered documents indicate tampering to hide improper actions; abnormal timekeeping can reveal charged hours that never occurred or were inflated; and unusual procurement patterns can reveal favoritism, conflicts of interest, or bypassed controls. Taken together, they form a cohesive picture that warrants further investigation and verification with supporting records. Single indicators, by themselves, can arise from mistakes or miscommunication, so relying on a lone red flag is less reliable. The strongest approach is to consider this fuller set of signals and corroborate with vendor records, contracts, time sheets, and procurement documentation to determine whether fraud is likely.

**10. Which of the following is true about Floors in funding?**

- A. Floors are maximum spending limits that cap costs before the end of the period of availability.
- B. Floors refer to fixed costs that must be spent each quarter.
- C. Floors determine how funds are carried over to the next period.
- D. Floors are minimum amounts you can spend on a particular program by the end of the period of availability.**

Floors set a minimum level of activity for a program, meaning you are expected to spend at least a certain amount by the end of the period of availability. This is not a cap, nor a requirement to spend a fixed amount every quarter, and it doesn’t determine how funds carry over to the next period. The idea behind a floor is to ensure that the program actually uses a baseline amount of funding, reflecting a commitment to implement or sustain the funded activities. If the program underspends the floor, it can trigger review or corrective actions in grant administration. So the statement that floors are minimum amounts you can spend by the end of the period of availability is the accurate description.

## Next Steps

**Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.**

**As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.**

**If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at [hello@examzify.com](mailto:hello@examzify.com).**

**Or visit your dedicated course page for more study tools and resources:**

**<https://cfi100.examzify.com>**

**We wish you the very best on your exam journey. You've got this!**

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