



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Service
Division of Cost Allocation

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RECEIVED

FEB - 7 2005

February 1, 2005

Mr. Barry Johnston
Director, Business Services/Controller
Washington State University
240P French Administration Building
P.O. Box 641025
Pullman, WA 99164-1025

Business Services/Controller

Dear Mr. Johnston:

This is in response to your letter which transmitted the revised Disclosure Statement (CASB Form DS-2) for Washington State University. We have reviewed the DS-2 based on the results of the Defense Contract Audit Agency's Report Numbers 4261-2004D19100002 and 4261-2005D19100001 on the adequacy and compliance of the Institution's disclosure statement.

As the Administrative Contracting Officer (ACO), I am required to determine the adequacy and compliance of submitted DS-2s. In accordance with Cost Accounting Standards Board (CASB) procedures, the ACO decision will be based on recommendations issued by the cognizant agency auditor. Based on our review and consultation with audit staff, we have determined that your DS-2 adequately discloses the cost accounting practices required to be disclosed by CASB's rules, regulations, and standards, and that those practices are compliant with applicable Federal cost accounting principles.

Should you have any questions, please contact Jay Mervis of my staff on (202) 260-2381.

Sincerely,

Robert I. Aaronson
Acting Director
Division of Cost Allocation