



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Service
Division of Cost Allocation

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MAY 13 2004

Mr. James R.W. Sloane
Vice President for Administration and Chief Financial Officer
2444 Dole Street
Bachman Hall
Honolulu, HI 96822

Dear Mr. Sloane:

This is in response to your recent letter which transmitted the University of Hawaii's revised Disclosure Statement (CASB Form DS-2). We have reviewed your revised DS-2 based on recommendations contained in the Department of Health and Human Services' Office of Inspector General report entitled *Adequacy and Compliance Audit of University of Hawaii'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,

Philip A. Simard
Director
Division of Cost Allocation

cc: Dave Low