



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center  
Financial Management Service  
Division of Cost Allocation

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FEB -7 2003

Mr. Earl N. Pulliam  
Director, Office of Contracts and Grants  
North Carolina State University  
Campus Box 7214  
Raleigh, North Carolina 27695-7214

Dear Mr. Pulliam:

This is in response to your recent letter which transmitted North Carolina State University'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 North Carolina State University'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 on this matter, please contact Jay Mervis on (202) 260-2361.

Sincerely,

A handwritten signature in cursive script that reads "Philip A. Simard".

Philip A. Simard  
Director  
Division of Cost Allocation