



DEPARTMENT OF HEALTH & HUMAN SERVICES

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Vice President
Administration and Finance

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July 28, 2005

Mr. Mark Behm
Vice President for Administration and Finance
University of Maryland, Baltimore County
1000 Hilltop Circle
Baltimore, MD 22250

Dear Mr. Behm:

This is in response to your letter dated May 17, 2005 which transmitted the revised Cost Accounting Standards Board (CASB) Disclosure Statement (DS-2) for the University of Maryland, Baltimore County (UMBC). As the Administrative Contracting Officer (ACO), I am required to determine the adequacy and compliance of the DS-2. We have reviewed the revisions UMBC made to the original DS-2 based on the results of the Defense Contract Audit Agency's Report Numbers 06171-2005U19100002 and 6171-2005U19100006 dated January 26, 2005 and March 25, 2005 respectively covering the adequacy of and compliance with the University's disclosure statement.

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,

Paul Nacon

National Director
Division of Cost Allocation

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ASST. V.P.
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