



DEPARTMENT OF THE NAVY

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ONR 242
17 Apr 00

University of Alaska
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Fairbanks, Alaska 99775-5120

Attn: Mr. Jim Lynch
Vice President for Finance & Planning (Interim)

SW Revision #1 7/1/98
baf Revision #2 7/1/98
Subj: REVISION NO. 1 (STATEWIDE SYSTEM) AND NO. 2 (FAIRBANKS) VOLUNTARY
CHANGES - UNIVERSITY OF ALASKA DISCLOSURE STATEMENT

Ref: (a) UA Disclosure Statement Revisions, dated 6 Jan 00
(b) UA Disclosure Statement Revisions, dated 26 Jan 99
(c) DCAA Audit Report 4901-2000Y19100001, dated 7 Apr 00

On 6 January 2000, the University of Alaska submitted reference (a) which proposed Revision No. 1 to its Statewide System Disclosure Statement and Revision No. 2 to its Fairbanks Disclosure Statement. The reference (a) revisions superseded the revisions previously submitted by the university in reference (b).

Based on my review of references (a) and (c), I have determined that Revision No. 1 (Statewide System) and No. 2 (Fairbanks) to the University of Alaska's Disclosure Statement adequately describes the accounting changes set forth above, and that these changes are in compliance with applicable Cost Accounting Standards. However, the University is reminded that once the proposed practices are implemented, instances of noncompliance may be discovered and reported.

Since these were voluntary accounting changes, they are subject to the provisions of FAR Section 52.230-5 (a)(4)(ii), and should not result in any increased cost to the Federal government. Accordingly, the University is requested to prepare a cost impact proposal, showing the rough order of magnitude that these changes have on applicable contracts and subcontracts from the effective date of the change until completion of the contract/subcontract.

If you have any questions concerning this matter, please call me at (703) 696-2571.

Michael Kuc

MICHAEL KUC
Contracting Officer

Copy to:
ONR, Seattle - Ms. Everley
DCAA, Silicon Valley Br. - Mr. Riden/Ms. Tchu