



**DEPARTMENT OF THE NAVY**

OFFICE OF NAVAL RESEARCH  
875 NORTH RANDOLPH STREET  
SUITE 1425  
ARLINGTON, VA 22203-1995

IN REPLY REFER TO:

**ONR 242**  
**March 10, 2011**

Mr. Gerald S. Mauck  
Assistant Controller – Research Administration  
The University of Denver  
Office of Research and Sponsored Projects  
Mary Reed Building, 222  
2199 S. University Blvd.  
Denver, CO 80208-4820

Subj: LEAVE RESERVE RATE  
Ref: (a) Denver FY 2011 Rate Proposal, dated December 18, 2009

Dear Mr. Mauck:

Based on my review of reference (a) I am approving the following Leave Reserve Rate for pricing and billing purposes for Fiscal Year 2011 until amended:

<u>Effective Period</u>		Rate	Base	Applicable To	Location
From	To				
7/1/2010	Until Amended	17%	(a)	Appointed	All

(a) Total salaries and wages.

Although University of Denver's use of a leave reserve rate is in non-compliance with CAS 502, ONR does not consider this practice to have a material impact on Federal Awards at this time. If this practice does become material in the future, the government may require the University to correct this non-compliance.

This rate approval is subject to the following conditions:

- (1) Any difference between the estimated annual Leave Cost and the actual costs, which will be audited and negotiated with ONR, may be either carried forward into a future rate, or if material, require billing adjustments to Federal Awards.
- (2) This rate is subject to unilateral change by the Government or bilateral change by University of Denver at any time.
- (3) The University of Denver is required to submit as part of all future incurred cost submission to ONR, the actual cost for the Leave Reserve Rate (pool and base actual costs) and a computation of the year end variance.

If you have any questions, please contact the undersigned at 703.696.5641 or email address [debbie.rafi@navy.mil](mailto:debbie.rafi@navy.mil).

Sincerely,

A handwritten signature in black ink, appearing to read "Deborah K. Rafi". The signature is written in a cursive style with a large initial "D" and a long, sweeping tail.

DEBORAH K. RAFI  
Contracting Officer

Cc: DCAA Rocky Mountain Branch Office  
ACO, Mr. Ronald Moody