Utah State Board of Education

March 10, 2025

Fred Donaldson, Executive Director
2033 Grant Avenue
Ogden UT, 84401

Dear Executive Donaldson,

The Title I staff at the Utah State Board of Education (USBE) performed a review of DaVinci Academy expenditures for Fiscal Year 2023. As a pass-through entity, USBE must: *Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved (2 CFR 200.430(d)).* Additionally, Utah Administrative Code Rule 277-114-3(3)(a-c) states*: The Superintendent shall monitor compliance with: program outcomes, reporting requirements, and financial compliance. This review was conducted as part of USBE's fiscal monitoring process to satisfy the aforementioned Federal and State requirements.* The following documents were reviewed:

- Time and Effort documentation
- Payroll reports
- General Ledgers for all Title I accounts
- Supporting documentation for all non-personnel expenditures

The review identified that the DaVinci Academy does not have a policy regarding time and effort that meets state and or federal requirements. Per Federal Regulation 2 CFR § 200.430(a)(1) local Education Agencies (LEAs) must have an established written time and effort policy that applies to both federal and non-federal activities. Policies should be updated regularly.

This review was limited to financial transactions between July 1, 2022 and June 30, 2023, involving Title I funds. These items were discussed during the visit with Fred Donaldson, Naomi Anson, Casey Holmes - Red Apple. We appreciate the courtesy and assistance extended to us by the personnel at DaVinci Academy during the course of the review.

By its nature, this report focuses on exceptions, weaknesses, and problems. This focus should not be understood to mean there are not various strengths and accomplishments. If you have any questions, please contact Merilee Wendell at (801) 538-7977 or Clint Hoke at (801) 538-7805.

Sincerely,

Merilee Wendell, Fiscal Monitor, Utah State Board of Education
Clint Hoke, Fiscal Monitor, Utah State Board of Education

cc. Esther Blackwell, Executive Director, DaVinci Academy
Casey Holmes, Business Administrator - Red Apple Finance
Alex Crowley Board President, DaVinci Academy
Sydnee Dickson, State Superintendent of Public Education, Utah State Board of Education
Leah Voorhies, Assistant Superintendent of Student Support, Utah State Board of Education
Scott Jones, Deputy Superintendent of Operations, Utah State Board of Education
Sam Urie, School Finance Director, Utah State Board of Education
Cole Shakespear, Fiscal Monitor Manager, Utah State Board of Education
Max Lang, ESEA Programs Related State Initiatives Coordinator, UT State Board of Education

DaVinci Academy - FY 22-23 - Title I Monitoring

Objective:
The purpose of the review is to verify that the DaVinci Academy has the required fiscal controls in place and that no Title I funds have been expended incorrectly and that required policies/procedures are in place.

Scope:
The scope of this review encompassed the period from July 1, 2022 through June 30, 2023 and focused on restricted Title I funds. Title I staff from USBE addressed this through the examination of policies/procedures, financial records, time and effort logs, supporting documentation, and interviews with administrative staff. Findings are summarized below with recommendations for corrective action.

Background:
DaVinci Academy is a Charter School in Ogden, Utah.

Findings and Recommendations:

Finding 1 – DaVinci Academy does not have a board approved Time and Effort policy in place.

Criteria:
Per Federal Regulation 2 CFR § 200.430(a)(1) local Education Agencies (LEAs) must have an established written time and effort policy that applies to both federal and non-federal activities. Policies should be updated regularly.

Condition:
During our review of DaVinci Academy policy and procedures, it was discovered that the DaVinci Academy did not have a board approved time and effort policy.

Cause:
The DaVinci Academy had practices in place to collect time and effort for their employees and had been collecting and storing these documents, but no board approved policy.

Effect:
The review identified that DaVinci Academy was out of Federal compliance by not having a board approved policy in place outlining their process in effectively addressing time and effort.

Required action completed:

Since the monitoring visit and before this report was completed, LEA has created and had board approval for the Time and Effort Policy. No further action is needed.

DaVinci Academy

Title I Fiscal Monitoring Report

March 10, 2025

Fred Donaldson, Executive Director
Casey Holmes, Business Administrator - Red Apple Finance

Background Information

The Utah State Board of Education (USBE), Title I, has the responsibility of monitoring compliance with federal and state requirements under the Elementary and Secondary Education Act of 1965 (ESSA). USBE will monitor Local Education Agencies (LEAs) who have not received a monitoring visit in the last 5 years. LEA's receive an annual risk score based on the Risk Assessment found in Utah Grants. LEAs who received a risk score of HIGH RISK are subject to a monitoring visit from the Title I monitoring team. USBE's monitoring system reflects the federal intent to emphasize a data-driven, systemic approach to compliance as well as improvement of outcomes for all students.

All areas of noncompliance identified in this report must be corrected in accordance with the corrective action plan below.

A Corrective Action Plan is not needed for DaVinci Academy to correct the Finding(s) listed above. The finding has already been resolved.

This report lists the fiscal strengths of the Title I program and personnel, areas of non-compliance with state and federal regulations, and recommendations for improvement, based on monitoring visit information in the eleven major areas of program review:

- Allowable Activities and Costs
  Cash Management
  Equipment and Real Property Management
  Time and Effort
  Maintenance of Effort
  Supplement not Supplant
  Period of Availability
  Procurement Process
  Reporting
  Grants Management

Type of Visit

Title I Fiscal Monitoring Visit

Dates and Sites Visited

January 24, 2025 LEA-Virtual Visit

Fiscal Monitoring Team Members

Merilee Wendell, Utah State Board of Education, Fiscal Monitor
Clint Hoke, Utah State Board of Education, Fiscal Monitor

Monitoring Activities

In conducting the monitoring, the fiscal monitoring team carried out the following activities:

Reviewed general ledgers and supporting documentation for Title I funds
Reviewed time and effort documentation for all employees paid in whole or in part by Title I funds
Reviewed LEA fiscal policies
Interviewed the charter Executive Director and the Business Administrator

Fiscal Monitoring Review Areas

Allowable Activities and Costs – Federal and State Funds 2 CFR 200.400 Subpart E, 2 CFR 200.404, 2 CFR 200.405 Cost Principles and Utah Administrative Rules R277-113-6.		
Costs are necessary, reasonable, and allocable.	Compliant: ☒ Non-Compliant: ☐ Documentation Reviewed: general ledger, Utah Grants reimbursement requests, and personnel activity reports	Comments: Reviewed expenses in the general ledger and invoices. Expenses were found to be reasonable and necessary.
Direct costs are identified specifically within a particular cost objective.	Compliant: ☒ Non-Compliant: ☐ Documentation Reviewed: general ledger	Comments: Expenses are correctly allocated within the correct cost objectives.
Direct and indirect costs are allocated in proportion to the benefit they provide.	Compliant: ☒ Non-Compliant: ☐ Documentation Reviewed: Interview, general ledger	Comments: The LEA ensures that direct and indirect costs are properly allocated to the programs that they correspond to.
Expenses are accounted for in accordance with GAAP.	Compliant: ☒ Non-Compliant: ☐ Documentation Reviewed: general ledger, interview with Director of Finance.	Comments: Internal controls and accounting procedures are compliant with GAAP.
Expenses are adequately documented.	Compliant: ☒ Non-Compliant: ☐ Documentation Reviewed: general ledger, time and effort, invoices.	Comments: All costs are properly supported with invoices and time and effort documentation.
Actual expenditures are compared to budgeted amounts on a routine basis.	Compliant: ☒ Non-Compliant: ☐ Documentation Reviewed: interview with Director of Finance	Comments: Expenditures are compared to the budget. They are reviewed by the Director of Finance at least quarterly.
Cash Management- Reimbursement- Federal Funds 2 CFR 200.302		
Review LEA policy.	Compliant: ☒ Non-Compliant: ☐ Documentation Reviewed: Cash deposited every 3 days.	Comments: The LEA has a policy in place that addresses cash deposits on hand be deposited within three days.
Equipment and Real Property Management-Federal Funds 2 CFR 200.302 and 2 CFR 200.313		
Review LEA policy.	Compliant: ☐ Non-Compliant: ☐ N/A: ☒	Comments: LEA is not using Title I funds to purchase equipment/real property.
Equipment purchases over $5,000 received preapproval from USBE.	Compliant: ☐ Non-Compliant: ☐ N/A: ☒	Comments: No equipment was purchased with this grant.

	Documentation Reviewed: Utah Grants Expenditure Summary Report	
Adequate controls are in place to account for equipment purchased with Title I funds.	Compliant: ☐ Non-Compliant: ☐ N/A: ☒ Documentation Reviewed: Reviewed internal procurement policy and procedures, inventory	Comments: Documentation and inventory policies and procedures are in place for equipment purchases.
Time and Effort- Federal Funds Policy reviewed: 2 CFR 200.430		
Review LEA policy.	Compliant: ☐ Non-Compliant: ☒	Comments: The LEA does not currently have a policy in place that meets requirements
Time Certification Records are accurate for all employees funded solely from Title I funds.	Compliant: ☐ Non-Compliant: ☒ Documentation Reviewed: Signed time and effort documentation	Comments: Time and efforts documents were reviewed and document all time charged to the grant, but no policy exists to compare them with to ensure compliance.
Maintenance of Effort-State Funds 34 CFR 300.203		
Review LEA policy.	Compliant: ☒ Non-Compliant: ☐	Comments: LEA has a policy in place to ensure compliance with maintenance of effort.
Supplement not Supplant-State and Federal Funds ESEA section 1001		
Review LEA policy.	Compliant: ☐ Non-Compliant: ☐ N/A: ☒	Comments: LEA has a policy in place to ensure compliance
The LEA has controls in place to ensure that supplement and not supplant requirements of Title I are met.	Compliant: ☐ Non-Compliant: ☐ N/A: ☒ Documentation Reviewed: Interview with the Director of Finance	Comments: LEA has a policy in place to ensure compliance
Period of Availability-Federal Funds 2 CFR 200.309		
The LEA has controls in place to ensure that funds are spent within the period of availability defined by the grant award.	Compliant: ☒ Non-Compliant: ☐ Documentation Reviewed: Utah Grants Application, general ledger, and interview with the Director of Finance	Comments: Review of Utah Grants and general ledger confirms that the period of availability of funds matches the period in which the expenditure occurred.
Procurement Process-State and Federal Funds 2 CFR 200.317-318-319-320, 2 CFR 200.330, 2 CFR 200.326, 2 CFR Part 200 Appendix II		
Review LEA policy.	Compliant: ☒ Non-Compliant: ☐ Documentation Reviewed:	Comments: LEA has a policy in place to ensure compliance with procurement state and local regulations.
The LEA ensures that all purchases follow State procurement processes.	Compliant: ☒ Non-Compliant: ☐	Comments: The LEA has implemented the state procurement process as defined in the Utah Administrative

	Documentation Reviewed: Policies Manual, interview Director of Finance	Rules, R33.
Contracts are limited to responsible contractors who possess the necessary skills to perform successfully.	Compliant: ☐ Non-Compliant: ☐ N/A: ☒ Documentation Reviewed: General ledger and interview with the Director of Finance	Comments: LEA did not use Title I funds for contracts.
All contracts supported with Federal funds contain required provisions.	Compliant: ☐ Non-Compliant: ☐ N/A: ☒ Documentation Reviewed: General ledger and contracts for all 3rd party providers	Comments: LEA did not use Title I funds for contracts.
Reporting- State and Federal 34 CFR 300.328		
The LEA ensures that all required reports are timely and accurate.	Compliant: ☒ Non-Compliant: ☐ Documentation Reviewed: Reports submitted to the Utah State Board of Education	Comments: There were no reports that were submitted untimely in the review period.
Grants Management Reporting- State and Federal 34 CFR 300.328		
LEA makes timely reimbursement in Utah Grants.	Compliant: ☒ Non-Compliant: ☐	Comments: Reimbursements are being made timely by the LEA.

Fiscal Monitoring Corrective Actions

Item	Due Date
Time and Effort Policy: It was found that DaVinci Academy does not have a board approved Time and Effort policy that meets state and federal requirements. **Action item:** Develop a Time and Effort policy that meets State and Federal requirements, have it approved by the board, and posted to the LEA's website.	Completed

Superintendent/Charter Director Signature: Fred Donaldson

(Please upload signed report to the Utah Grants site visit)