

**CENTRAL CAROLINA TECHNICAL COLLEGE
STATE LOTTERY PROGRAMS
SUMTER, SOUTH CAROLINA**

**Independent Accountants' Report On
Applying Agreed-Upon Procedures
June 30, 2022**

CENTRAL CAROLINA TECHNICAL COLLEGE
STATE LOTTERY PROGRAMS
For the Year Ended June 30, 2022

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Independent Accountants' Report On
Applying Agreed-Upon Procedures

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Commission on Higher Education

We have performed the procedures enumerated below for Central Carolina Technical College's State Lottery programs disbursed by the Commission on Higher Education (CHE) as of June 30, 2022. Central Carolina Technical College's management is responsible for compliance with state requirements for the state lottery programs.

CHE has agreed to and acknowledges that the procedures performed below are appropriate to meet the intended purpose which is to assist CHE in evaluating whether Central Carolina Technical College's state lottery programs are in compliance with state requirements. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report, may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

We obtained the population of the state lottery programs disbursed by CHE from Central Carolina Technical College to select a sample of students for each program. For the year ended June 30, 2022, the institution had disbursements to students in the following programs:

We obtained the student file for each student selected and performed procedures for eligibility requirements as prescribed in the four areas of: Initial eligibility and continued eligibility, records, retention, and award amount based on the specified laws, regulations, and contracts.

State Lottery Programs Disbursed by CHE	June 30, 2022
Palmetto Fellow Scholarship	Yes
SC LIFE Scholarship	Yes
SC National Guard College Assistance Program	Yes
SC Need-Based Grant	Yes
SC Need-Based Grant - Foster Care	Yes

The result of those procedures are as follows:

State Lottery Program Disbursed by CHE	Sample Size	Exceptions Noted
Palmetto Fellow Scholarship	1	None Noted
SC LIFE Scholarship	25	4
SC National Guard College Assistance Program	1	None Noted
SC Need-Based Grant	25	None Noted
SC Need-Based Grant - Foster Care	1	None Noted

Palmetto Fellows Scholarship - 62-300 - 62-375

1. We obtained and documented proof of SC residency and US Citizenship at the time of high school graduation and College enrollment and proof of South Carolina residency of the parent or guardian for dependent students.

We found no exceptions as a result of this procedure.

2. We obtained financial aid records and documented the signing of the required attestation affidavit for each academic year.

We found no exceptions as a result of this procedure.

3. We obtained the institutional academic transcript and documented the initial enrollment date, initial eligibility date, student's academic classification, academic terms, credits earned and GPA.

We found no exceptions as a result of this procedure.

4. We documented the student's enrollment status, credit hour enrollment, and if applicable, made note of any remedial and developmental courses taken to verify full time enrollment and that hours for AP, IB, Dual Enrollment, or CLEP are not used towards the credit hour requirements.

We found no exceptions as a result of this procedure.

5. We agreed the student's awarding documentation to the awarding information in CHE's AS400 (CHEMIS).

We found no exceptions as a result of this procedure.

6. We obtained the financial aid record and documented the Palmetto Fellows award amount to verify that the annual grant amount was not exceeded.

We found no exceptions as a result of this procedure.

7. We obtained the financial aid awarding and disbursing records to verify that the cost of attendance (COA) was not exceeded.

We found no exceptions as a result of this procedure.

8. We traced the disbursements to the student's account history from the business office.

We found no exceptions as a result of this procedure.

Palmetto Fellows Scholarship - 62-300 - 62-375, Continued

9. We obtained the award notifications to determine if scholarship terms and conditions were provided.

We found no exceptions as a result of this procedure.

10. We obtained proof of the initial CHE approval. The approval from CHE signifies that the student satisfied the following criteria:

- 3.5 SC UGP GPA (4.0 without ranking); and
- 1200 SAT or 25 ACT (1400 SAT or 31 ACT without ranking); and
- Top 6% rank in 10, 11, or 12 grade.

We found no exceptions as a result of this procedure.

11. We obtained the student account history and verified that the student did not receive LIFE scholarship, HOPE scholarship, or Lottery Tuition Assistance during the same award year.

We found no exceptions as a result of this procedure.

12. We obtained evidence that the award term is within the maximum number of eligible terms.

We found no exceptions as a result of this procedure.

13. If the student did not retain their eligibility by the end of the spring term, we obtained the non-renewal notification. We verified that the notification included information regarding the student's ability to attend summer school in order to meet the continued eligibility requirements.

We found no exceptions as a result of this procedure.

SC LIFE Scholarship – 62-1200.1 – 62-1200.75

1. We obtained and documented proof of SC residency and US Citizenship at the time of high school graduation and College enrollment and proof of South Carolina residency of the parent or guardian for dependent students.

We found no exceptions as a result of this procedure.

2. We obtained financial aid records and documented the signing of the required attestation affidavit for each academic year.

We found no exceptions as a result of this procedure.

3. We obtained the student's final high school transcript signed by the school official and documented the graduation date, SC UGPA, ACT/SAT score, and class ranking.

We found four exceptions. Our findings as a result of the procedure performed is presented on the Reviewer's Findings section of the report.

4. For transferring students, we obtained the academic transcripts to verify the following criteria:

- Recipient earned a cumulative LIFE GPA of 3.0 or higher and
- Recipient met the annual credit hour requirements based on the initial enrollment date:
 - o Second year transfer - 30 non-remedial credit hours (or equivalent)
 - o Third year transfer – 60 credit hours (or equivalent)
 - o Fourth year transfer – 90 credit hours (or equivalent)

We found no exceptions as a result of this procedure.

SC LIFE Scholarship – 62-1200.1 – 62-1200.75, Continued

5. We obtained the FINAL official transcript and verified that the date calculated was between 3 days prior to the date of the high school graduation and no later than June 15th. Covid-19 waivers were taken into consideration, if applicable.

We found no exceptions as a result of this procedure.

6. We obtained and evaluated the institutional academic transcript and documented the initial enrollment date, initial eligibility date, student's academic classification, academic term, credits earned and LIFE GPA to verify that the student met the continued eligibility criteria:
- Earned a cumulative Life GPA of 3.0 or higher by the end of the academic year.
 - Received the award in one of eight consecutive terms from the time of initial enrollment.
 - Met the annual credit hour requirement based on initial college enrollment date:
 - o Second year - 30 non-remedial credit hours (or equivalent)
 - o Third year - 60 credit hours (or equivalent)
 - o Fourth year - 90 credit hours (or equivalent)

We found no exceptions as a result of this procedure.

7. We recalculated the student LIFE GPA and compared it to the institution's calculation.

We found no exceptions as a result of this procedure.

8. We obtained proof of full-time enrollment and documented any remedial or developmental courses taken.

We found no exceptions as a result of this procedure.

9. We agreed the student's awarding documentation to the awarding information in CHE's AS400 (CHEMIS).

We found no exceptions as a result of this procedure.

10. We obtained the financial aid record and documented the LIFE award amount to verify that the annual grant amount was not exceeded.

We found no exceptions as a result of this procedure.

11. We obtained the financial aid awarding and disbursing records to verify that the cost of attendance (COA) was not exceeded.

We found no exceptions as a result of this procedure.

12. We traced the disbursements to the student's account history from the business office.

We found no exceptions as a result of this procedure.

13. We obtained and documented award notifications to determine if scholarship terms and conditions were provided.

We found no exceptions as a result of this procedure.

14. We obtained the student account history and verified that the student did not receive Palmetto Fellows scholarship, HOPE scholarship, or Lottery Tuition Assistance during the same award year.

We found no exceptions as a result of this procedure.

SC National Guard College Assistance Program - 62-250 - 62-262

1. We obtained proof of student eligibility from CHE.

We found no exceptions as a result of this procedure.

2. We obtained the student's award letter and the total lifetime award from CHE to ensure that the annual and total lifetime maximum was not exceeded.
 - Army NG \$4,500 max per academic year
 - Air NG \$9,000 max per academic year
 - Lifetime max \$18,000

We found no exceptions as a result of this procedure.

3. We obtained the student's institutional transcript to verify that the amount disbursed agreed to the student's enrollment status.

We found no exceptions as a result of this procedure.

4. We obtained evidence that the student was making satisfactory academic progress as defined by the institution.

We found no exceptions as a result of this procedure.

5. We obtained evidence that the student was enrolled in a degree-seeking program.

We found no exceptions as a result of this procedure.

6. We traced the disbursements to the student's account history from the business office and verified that ROTC scholarship funds were not disbursed to the student.

We found no exceptions as a result of this procedure.

7. We obtained the student's financial aid file and documented the cost of attendance (COA) and all other gift aid to verify that COA was not exceeded.

We found no exceptions as a result of this procedure.

8. We agreed the student's awarding documentation to the awarding information in CHE's AS400 (CHEMIS).

We found no exceptions as a result of this procedure.

SC Need-based Grant and Foster Care - 62-450 - 62-505

1. We obtained financial records and documented proof of US Citizenship, South Carolina residency, and in-state tuition qualification.

We found no exceptions as a result of this procedure.

2. We obtained financial aid records and documented the signing of the required attestation affidavit for each academic year.

We found no exceptions as a result of this procedure.

3. We obtained proof that the student filed the Free Application for Federal Student Aid (FAFSA) and completed the process to determine eligibility for federal student aid each academic year.

We found no exceptions as a result of this procedure.

4. We obtained the Institutional Student Information Record (ISIR) to verify that the student had not received a baccalaureate degree.

We found no exceptions as a result of this procedure.

5. We obtained evidence that the student was determined to be “needy” based on Title IV regulations for determining financial aid.

We found no exceptions as a result of this procedure.

6. We obtained evidence that the student was enrolled in a degree seeking program.

We found no exceptions as a result of this procedure.

7. We obtained evidence that the student enrolled and attended or had completed at the time of the grant disbursement in a minimum of six credit hours if part-time for the semester or twelve credit hours if full-time for the semester.

We found no exceptions as a result of this procedure.

8. For first-time applicants with previous credit hours, we obtained the credit hours and GPA to verify that the student earned at least a 2.0 cumulative GPA.

We found no exceptions as a result of this procedure.

9. We obtained the institutional transcript and the satisfactory academic progress evaluation to verify that the student maintained continued eligibility for the SC Need-based Grant, once enrolled as follows:
 - Completed a minimum of six credit hours if part-time for the semester or twelve credit hours if full-time for the semester.
 - Made satisfactory academic progress toward a degree as determined by the institution.

We found no exceptions as a result of this procedure.

10. We obtained the students’ financial aid file to verify that maximum eligibility terms were not exceeded.

We found no exceptions as a result of this procedure.

SC Need-based Grant and Foster Care - 62-450 - 62-505, Continued

11. We obtained the financial aid record to verify and document the following:
 - Award not to exceed the cost of attendance (Title IV methodology)
 - Award amounts not to exceed \$1,250 per eligible part-time student per academic year.
 - Award amounts not to exceed \$2,500 per eligible full-time student per academic year.
 - Award amounts not to exceed 50 percent of the annual award in any one term.

Emergency regulations were in effect August 2021 to January 2022 to provide students immediate relief during the upcoming school year, which allowed full-time students to be awarded up to \$3,500 per academic year and \$1,750 for part-time students.

We found no exceptions as a result of this procedure.

12. We agreed the student's awarding documentation to the awarding information in CHE's AS400 (CHEMIS).

We found no exceptions as a result of this procedure.

Foster Care

1. We obtained evidence that the Institution gave priority and awarded the maximum allowable Need-based grant.

We found no exceptions as a result of this procedure.

2. We obtained the student's financial aid file including the student account history to verify that the Foster-Care grant amount did not exceed \$2,000 toward unmet need (\$1,000 per term if full-time, \$500 per term if part-time).

We found no exceptions as a result of this procedure.

3. We obtained evidence that the student met the eligibility requirements under SC Need-based grant and submitted proper documentation.

We found no exceptions as a result of this procedure.

4. We obtained the "SC Need-based grant Waiver Form for Foster Care Youth" completed by the student's DSS representative.

We found no exceptions as a result of this procedure.

5. Obtained letter from the DSS representative indicating that the student is in custody of DSS or participating in Independent Living Services.

We found no exceptions as a result of this procedure.

6. We agreed the student's awarding documentation to the awarding information in CHE's AS400 (CHEMIS).

We found no exceptions as a result of this procedure.

Other Procedures

1. We obtained the institution's current policies and procedures for monitoring lottery funded scholarships to ensure that the documents are readily available.

We found no exceptions as a result of this procedure.

2. We obtained and completed the CHEMIS variance analysis form with information provided by the institution and CHE to determine if the state lottery programs have been reconciled properly and in a timely manner.

We found no exceptions as a result of this procedure.

We were engaged by CHE to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on State Lottery programs disbursed by CHE. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Central Carolina Technical College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of CHE and Central Carolina Technical College and is not intended to be and should not be used by anyone other than those specified parties.



November 20, 2024
Gaffney, SC

Reviewer's Findings

Findings #1-4

SC LIFE Scholarship

Based on a sample of twenty-five (25) students

Condition: During our review of the LIFE scholarships awarded during the 2021-2022 academic year, we found four instances where the high school transcript used to determine initial eligibility was not valid for scholarship awarding purposes or the high school transcript was not available.

Criteria: 62-900.135 (B) states, "...all eligible institutions that participate in the program must abide by program policies, rules, or regulations..."

In order to determine eligibility for the State scholarship programs, the institution must have a final and official transcript on file demonstrating, but not limited to, the following items:

- A valid signature (electronic or otherwise) from the principal. In the event that the principal is not available, the Superintendent signature is acceptable. For Independent/Private and home school students: The administrator, registrar, or an official from the home school/accountability group. Should provide a letter stating the designated school representative.
- SC UGP GPA: must be demonstrated.
- Calculation Date: All final official transcripts must be date calculated between the date of the high school graduation and no later than June 15th (regardless of academic year). For the LIFE Scholarship and the Palmetto Fellows Scholarship Late Award the transcript MUST demonstrate that it is the final official transcript, as well as reflect a graduation date.
- Rank: If an independent high school or home school association has an approved policy on rank, a rank must be demonstrated on the official transcript (even if the student is not using rank for scholarship eligibility). A rank report must also be submitted with a date calculated matching the transcripts even if the student is not using rank. (LIFE 62-1200.10.C)

Cause: The department in charge of verifying high school transcripts were not properly trained to ensure that all required items were present prior to accepting the transcripts as final.

Effect:

- **Student Sample #5** – A high school transcript was not available or provided to determine the student's initial eligibility for LIFE Scholarship. The student was awarded and disbursed in award year 2020-2021. The institution is required to immediately reimburse \$5,000 to the SC LIFE Scholarship Program for improperly awarding funds at the time of initial eligibility.
- **Student Sample #6 & #16** – The high school transcript provided included the South Carolina Uniform Grading Policy GPA or "SC UGP" GPA, the graduation date, and the calculation date. However, the transcript did not have a valid signature from the principal or superintendent. The institution is required to immediately reimburse \$10,000 to the SC LIFE Scholarship Program for improperly awarding funds at the time of initial eligibility.

Reviewer's Findings, Continued

- **Student sample #25** – The high school transcript used to award and disburse the SC LIFE Scholarship funds was not a final high school transcript. The institution used a work-in-process transcript which is not valid for scholarship awarding purposes. The institution is required to immediately reimburse \$5,000 to the SC LIFE Scholarship Program for improperly awarding funds at the time of initial eligibility.

Student	Initial Term of Eligibility	Amount Disbursed	Amount to Refund the CHE
#5	2020-2021	\$ 5,000	\$ 5,000
#6	2020-2021	\$ 5,000	\$ 5,000
#16	2021-2022	\$ 5,000	\$ 5,000
#25	2021-2022	\$ 5,000	\$ 5,000
		\$ 20,000	\$ 20,000

Recommendation: We recommend the institution evaluate all functional areas that impact how and when initial eligibility is determined and identify weaknesses that increase the risk of incorrect awarding and disbursing.

Management Response: Some of the transcripts were evaluated as we were dealing with Covid. Operational processes were drastically changed during this time as staff members were both adjusting to remote work and changes from paper to digital documentation. Although the responsibility for transcript evaluation was housed in the admissions department at the time, financial aid failed to question procedures or deficiencies with transcripts due to the misconception that digital transcripts processed through platforms like Parchment were not exempt from CHE regulations.

CCTC plans to return the funds within the next 3 weeks as we work with the business office to accommodate the findings.

The procedures and responsibility for transcript documentation has since shifted to the registrar's office. Financial aid and the Registrar have changed procedures to ensure that ALL transcripts have signatures no matter how the transcript is received. (Paper and digital). In addition, the GPA calculation date is now part of a checklist tool that has been created for all Life recipients to ensure compliance prior to awarding.