

**COKER UNIVERSITY
STATE LOTTERY PROGRAMS
HARTSVILLE, SOUTH CAROLINA**

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

COKER UNIVERSITY
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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Bryce Wilson, CPA
Commission on Higher Education

We have performed the procedures enumerated below for Coker University's State Lottery programs disbursed by the Commission on Higher Education (CHE) as of June 30, 2022. Coker University'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 Coker University'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 Coker University 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 LIFE Scholarship Enhancement	Yes
SC Hope Scholarship	Yes
SC National Guard College Assistance Program	Yes

The result of those procedures are as follows:

State Lottery Program Disbursed by CHE	Sample Size	Exceptions Noted
Palmetto Fellow Scholarship	3	None Noted
SC LIFE Scholarship	21	1
SC LIFE Scholarship Enhancement	3	None Noted
SC Hope Scholarship	7	1
SC National Guard College Assistance Program	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 and Enhancement – 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.

Finding: We found one exception. Our finding as a result of the procedure performed is presented on the Reviewer's Findings section of the report.

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

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.

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.

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

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.

Enhancement Only:

1. We obtained the student's program of study and traced the program to CHE's approved enhancement program listing.

We found no exceptions as a result of this procedure.

2. We obtained the academic transcript to verify that the student successfully completed at least 14 credits of STEM credit hours by the end of the student's first year of enrollment.

We found no exceptions as a result of this procedure.

3. We obtained and evaluated academic transcripts and documented the student's year of enrollment and number of awarding terms to not exceed 6 terms of eligibility.

We found no exceptions as a result of this procedure.

4. We obtained the academic transcript to verify that the student is in their 2nd, 3rd, or 4th year of full-time enrollment (based on initial enrollment date).

We found no exceptions as a result of this procedure.

5. We obtained the student's financial aid award file to verify that total aid including the enhancement amount was not exceeded for the year.

We found no exceptions as a result of this procedure.

SC Hope Scholarship – 62-900.85 - 62-900.140

1. We obtained and documented proof of the student's South Carolina residency and US Citizenship at the time of high school graduation and College enrollment and proof of SC 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 high school graduation date and verified that the SC UGP GPA was at least a 3.0.

Finding: We found one exception. Our finding as a result of the procedure performed is presented on the Reviewer's Findings section of the report.

4. We obtained the institutional academic transcript and documented the initial enrollment date, academic terms, and registered hours, excluding any remedial or developmental courses, to verify full-time enrollment and that the student is a first-time entering freshman who does not qualify for LIFE or Palmetto Fellows Scholarships.

We found no exceptions as a result of this procedure.

5. We obtained the student account history to verify that the award amount did not exceed two thousand eight hundred dollars (includes \$300 book allowance) during the freshman year only.

We found no exceptions as a result of this procedure.

6. 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.

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

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.

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

We found no exceptions as a result of this procedure.

10. 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.

11. We obtained evidence that the student was a Hope scholarship recipient for only 2 eligible terms.

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.

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.

Finding: We found two exceptions. Our findings as a result of the procedure performed are presented on the Reviewer's Findings section of the report.

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 Coker University 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 Coker University and is not intended to be and should not be used by anyone other than those specified parties.



October 22, 2024
Gaffney, SC

Reviewer's Findings

LIFE Scholarship

Based on a sample of twenty-one (21) students

Condition: During our review of LIFE scholarships awarded during the 2021-2022 academic year, we found one instance where the institution did not properly identify the student's initial term of SC HOPE Scholarship eligibility and SC LIFE Scholarship continued eligibility for the year directly proceeding.

Criteria:

62-900.95 (A)(3) states, to be eligible for a SC HOPE Scholarship, the student must earn a cumulative 3.0 grade point average (GPA) based on the South Carolina Uniform Grading Policy (UGP) upon high school graduation:

62-1200.15 (A) states, students must meet the following criteria to renew eligibility for the LIFE Scholarships:

1. Continue to meet all eligibility requirements as stated in the "Student Eligibility" Section;
2. Earn at least a 3.0 "LIFE GPA" by the end of the academic year; and
3. Meet the annual credit hour requirement (or its equivalent) by the end of the academic year based on initial college enrollment:
 - (a) earn a minimum of 30 (or the equivalent) credit hours if entering the second year; or
 - (b) earn a minimum of 60 (or the equivalent) credit hours if entering the third year; or
 - (c) earn a minimum of 90 (or the equivalent) credit hours if entering the fourth year; or
 - (d) earn a minimum of 120 (or its equivalent) credit hours if entering the fifth year of an approved five-year bachelor's degree program.

Cause: Human error when entering the student's high school GPA into the institution's system.

Effect: The institution inadvertently omitted a student's initial HOPE scholarship eligibility for award year 2018-2019. The student was also omitted from LIFE continued eligibility in award year 2019-2020. The institution must make the necessary and appropriate adjustments to award the student with the SC HOPE Scholarship and SC LIFE Scholarship in the amount of \$2,800 and \$5,000, respectively.

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

Management's Response:

Corrective Actions:

Process Review and Improvement: We are conducting a comprehensive review of our processes related to the determination of initial eligibility for the LIFE Scholarship. Specifically, we are:

- Enhancing Data Entry Procedures: We will reinforce procedures for the accurate entry of high school GPA and other key eligibility criteria into our system, ensuring that data input errors are minimized.
- System Alerts and Checks: We are working to improve our systems by implementing validation checks that flag discrepancies in scholarship eligibility criteria, allowing us to address potential issues before they affect students' awards.

Staff Training: We will provide additional training to our team, focusing on proper data entry and understanding the LIFE Scholarship eligibility criteria. This will help prevent errors in the initial determination of eligibility and ensure compliance with state requirements.

We will continue to strengthen our processes and appreciate your feedback in helping us improve our operations.

The institution will initiate payment to the student and ensure the SC HOPE Scholarship and SC LIFE Scholarship awards are adjusted to reflect the amounts of \$2,800 and \$5,000, respectively. Appropriate adjustments will be made to the student's account to finalize these awards by December 30, 2024.

Reviewer's Findings, Continued

HOPE Scholarship

Based on a sample of seven (7) students

Condition: During our review of the HOPE scholarships awarded during the 2021-2022 academic year, we found one instance where the final high school transcript used to determine initial eligibility was not valid for scholarship awarding purposes.

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 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.

Effect: The institution awarded and disbursed \$2,800 to the student before obtaining a signed high school transcript. As a result, the institution is required to immediately reimburse \$2,800 to the HOPE Scholarship Program for improperly awarding funds.

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's Response:

Corrective Actions:

Process Improvement: We are reviewing and strengthening our process for collecting and verifying final high school transcripts to ensure compliance with program policies. Moving forward:

- We will implement a transcript validation checklist to ensure that every transcript includes all required elements, including the valid signature from the principal, superintendent, or designated representative for independent/private schools and home school students.
- Our staff will be trained to specifically verify that all signatures are present and valid before awarding state scholarships.

Reviewer's Findings, Continued

Management's Response: Continued

Corrective Actions:

Communication with High Schools: We will improve our communication with high schools and accountability groups to ensure that they are aware of the documentation requirements, particularly regarding signatures on transcripts.

Staff Training: Our admission staff will receive additional training to reinforce the importance of carefully reviewing transcripts and ensuring that all elements, including signatures, are verified prior to awarding scholarships.

Coker will submit repayment to CHE by December 30, 2024.

Other Procedures

Condition: We found that the institution over-invoiced the CHE for LIFE Scholarship funds in the amount of \$5,000 and did not invoice the CHE for \$1,400 of HOPE Scholarships to students during the 2021-2022 academic year.

Criteria: 62-370 (B) and 62-1200.70 (B) state, "...all eligible institutions that participate in the program must abide by program policies, rules, or regulations..."

The state lottery programs must be continuously reconciled at the end of each award period to ensure that CHEMIS is properly recorded, and CHE is accurately and timely invoiced.

Cause: Oversight in the process of refunding and invoicing the CHE for scholarships that were previously invoiced to the CHE, but never disbursed and total scholarships disbursed but not invoiced.

Effect: The institution is not in compliance with the CHE fund management requirements and must return the LIFE Scholarship funds of \$5,000 immediately. Because the institution did not comply with the requirements of the regulations as stated in the criteria above, the institution will be unable to collect \$1,400 for the HOPE Scholarship Program.

Recommendation: The institution must implement policies and procedures to ensure the state lottery programs are continuously reconciled at the end of each award period to ensure student disbursements, invoices to the CHE and information reported on CHEMIS agree.

Management's Response:

LIFE - This difference is due to an invoicing error made during a transitional period in departmental management. A ROF of \$5,000 is due to correct the error and the procedure instructions have been updated to ensure clarity for any future personnel transitions. Coker will submit repayment to CHE by December 30, 2024.

HOPE - This difference is due to an invoicing error made during a transitional period in departmental management. Procedure instructions have been updated to ensure clarity for any future personnel transitions.