

**BENEDICT COLLEGE
STATE LOTTERY PROGRAMS
COLUMBIA, SOUTH CAROLINA**

**Independent Accountants' Report On
Applying Agreed-Upon Procedures
June 30, 2023**

BENEDICT COLLEGE
STATE LOTTERY PROGRAMS
For the Year Ended June 30, 2023

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Independent Accountants' Report On
Applying Agreed-Upon Procedures

Dr. Roslyn Clark Artis
President, Benedict College
1600 Harden Street
Columbia, SC 29204

Bryce Wilson, CPA
Commission on Higher Education

We have performed the procedures enumerated below for Benedict College's State Lottery programs disbursed by the Commission on Higher Education (CHE) as of June 30, 2023. Benedict 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 Benedict 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 Benedict College to select a sample of students for each program. For the year ended June 30, 2023, the institution had disbursements to students in the following programs:

State Lottery Programs Disbursed by CHE	June 30, 2023
SC LIFE Scholarship	Yes
SC LIFE Scholarship Enhancement	Yes
SC Hope Scholarship	Yes
SC National Guard College Assistance Program	Yes
SC Need-Based Grant - Foster Care	Yes

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.

The result of those procedures are as follows:

State Lottery Program Disbursed by CHE	Sample Size	Exceptions Noted
SC LIFE Scholarship	13	1
SC LIFE Scholarship Enhancement	1	1
SC Hope Scholarship	10	1
SC National Guard College Assistance Program	1	None Noted
SC Need-Based Grant - Foster Care	1	None Noted

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.

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.

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

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.

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.

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.

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.

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

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.

We found no exceptions as a result of this procedure.

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.

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.

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.

SC Hope Scholarship – 62-900.85 - 62-900.140, Continued

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 total lifetime award from CHE to ensure that the total lifetime maximum was not exceeded.

- Army NG \$5,500 max per academic year
- Air NG \$11,000 max per academic year (AIR National Guard recipients may receive up to a maximum of \$11,000 per academic year if enrolled in a two-year program at two-year or four-year eligible SC Institutions OR a maximum of \$5,500 at eligible SC four-year Institutions per academic year).
- Lifetime max \$22,000

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.

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

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.

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 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.

4. 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.

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.

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.

Benedict College
State Lottery Programs

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



November 22, 2024
Gaffney, SC

Reviewer's Findings

Finding #1 and #2

SC LIFE Scholarship & Enhancement

Based on a sample of thirteen (13) students including one (1) enhancement

Condition: We found one instance where a student was awarded the SC LIFE Scholarship, but the student did not meet two of the three academic requirements for initial eligibility. The student was eligible for the SC HOPE Scholarship instead.

Criteria: 62-1200.10 (A-C) states, Students must meet two of the three criteria if a first-time freshman at an eligible four-year institution:

- 3.0 SC UGP GPA
- 1100 SAT or 22 ACT
- Ranked in top 30% of graduating class.

Cause: There was an oversight in the process of evaluating a student's initial LIFE Scholarship eligibility. The student earned at least a 3.0 SC UGP GPA; however, the student did not rank in the top 30% of their graduating class nor did they have test scores required available.

Effect: The student was incorrectly awarded and disbursed \$5,000 of SC LIFE Scholarship during the student's freshman year when the student was only eligible for the HOPE Scholarship. The institution must refund the LIFE Scholarship program immediately by returning \$5,000 to the CHE due to the improperly awarding the LIFE Scholarship.

The institution must make all appropriate and necessary adjustments to award the HOPE Scholarship to the student in the 2022-2023 academic year. Because the institution did not catch this error while still in the 2022-2023 academic year, the institution must forfeit reimbursement of \$2,800 from the LIFE Scholarship Program.

Recommendation: We recommend the institution evaluate all functional areas that impact how and when initial eligibility is determined and identify weaknesses in current policies and procedures to reduce the risk of incorrect awarding and disbursing.

Management Response: The College agrees with this finding. We acknowledge these funds must be returned to CHE by December 3, 2024. The College will strengthen the current procedures to determine initial eligibility for LIFE and HOPE Scholarship recipients. All final high school transcripts will be reviewed by 2 staff members before awarding LIFE or HOPE.

The College will replace the returned funds with institutional funds to prevent the student from having a balance on their student account.

Reviewer's Findings, Continued

Finding #1 and #2

SC LIFE Scholarship & Enhancement

Condition: We found one instance where a student was awarded the SC LIFE Scholarship Enhancement, but the student did not meet the enhancement eligibility requirements.

Criteria: 62-1200.10 (O)(4) states, to be eligible for a LIFE Scholarship Enhancement each academic year, the student must have successfully completed a total of at least fourteen credit hours of instruction in mathematics and life and physical science course, in any combination, by the end of the first year of enrollment in college.

Cause: There was an oversight in invoicing the student's award. LIFE Enhancement was duplicated and was added to one student in error on the invoice.

Effect: The student was incorrectly awarded and disbursed the LIFE Scholarship Enhancement for the fall 2022 term. The institution must refund the LIFE Scholarship Enhancement Program immediately by returning \$1,250 to the CHE due to the incorrect disbursement.

Recommendation: We recommend the institution evaluate all functional areas that impact how and when enhancement eligibility is determined and identify weaknesses in current policies and procedures to reduce the risk of incorrect awarding and disbursing.

Management Response: The College agrees with this finding. We acknowledge these funds must be returned to CHE by December 3, 2024. The College will strengthen the current procedures to determine eligibility LIFE Enhancement Scholarship recipients. All college transcripts will be reviewed by 2 staff members before awarding LIFE Enhancement.

The College will replace the returned funds with institutional funds to prevent the student from having a balance on their student account.

Reviewer's Findings, Continued

Finding #3

SC HOPE Scholarship

Based on a sample of ten (10) students

Condition: We found one instance where a student was awarded HOPE Scholarship in their first year of enrollment but was eligible for LIFE Scholarship instead.

Criteria: 62-900.85 states the purpose of the SC HOPE Scholarship Program is to provide funding to first-time entering freshmen who do not qualify for the LIFE or Palmetto Fellows Scholarships.

Cause: The student's initial state scholarship eligibility was incorrectly determined by the institution. The institution did not use the student's final high school transcript and instead awarded the HOPE Scholarship based on a work-in-process transcript.

Effect: The student was incorrectly awarded and disbursed \$2,800 of SC HOPE Scholarship during the student's freshman year when the student was eligible for the LIFE Scholarship. The institution must refund the HOPE Scholarship program immediately by returning \$2,800 to the CHE due to the improperly awarding the HOPE Scholarship.

The institution must make all appropriate and necessary adjustments to award the LIFE Scholarship to the student in the 2022-2023 academic year. Because the institution did not catch this error while still in the 2022-2023 academic year, the institution must forfeit reimbursement of \$5,000 from the LIFE Scholarship Program.

Recommendation: We recommend the institution evaluate all functional areas that impact how and when initial eligibility is determined and identify weaknesses in current policies and procedures to reduce the risk of incorrect awarding and disbursing.

Management Response: The College agrees with this finding. We acknowledge these funds must be returned to CHE by December 3, 2024. The College will strengthen the current procedures to determine continued eligibility for LIFE and HOPE Scholarship recipients. All final high school transcripts will be reviewed by 2 staff members before awarding LIFE or HOPE.

The College will replace the returned funds with institutional funds to prevent the students from having a balance on their student account.