

**CLAFLIN UNIVERSITY  
STATE LOTTERY PROGRAMS  
ORANGEBURG, SOUTH CAROLINA**

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



**CLAFLIN UNIVERSITY**  
**STATE LOTTERY PROGRAMS**  
For the Year Ended June 30, 2023

Table of Contents

Independent Accountants' Report On Applying Agreed-Upon Procedures	1-9
Reviewer's Findings	10-15

Independent Accountants' Report On  
Applying Agreed-Upon Procedures

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400 Magnolia Street  
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Bryce Wilson, CPA  
Commission on Higher Education

We have performed the procedures enumerated below for Claflin University's State Lottery programs disbursed by the Commission on Higher Education (CHE) as of June 30, 2023. Claflin 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 Claflin 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 Claflin University 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:

<b>State Lottery Programs Disbursed by CHE</b>	<b>June 30, 2023</b>
Palmetto Fellow Scholarship	Yes
Palmetto Fellow Scholarship Enhancement	Yes
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:

<b>State Lottery Program Disbursed by CHE</b>	<b>Sample Size</b>	<b>Exceptions Noted</b>
Palmetto Fellow Scholarship	1	None Noted
Palmetto Fellow Scholarship Enhancement	1	None Noted
SC LIFE Scholarship	25	9
SC LIFE Scholarship Enhancement	6	None Noted
SC Hope Scholarship	14	2
SC National Guard College Assistance Program	1	None Noted
SC Need-Based Grant - Foster Care	1	None Noted

**Palmetto Fellows Scholarship and Enhancement - 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 and Enhancement - 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.

Enhancement Only:

14. 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.

15. 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.

16. We obtained and evaluated the academic transcript and documented the student's year of enrollment and number of awarding terms to not exceed 6 terms of usage.

We found no exceptions as a result of this procedure.

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

We found no exceptions as a result of this procedure.

18. 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 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.

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

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 three 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.

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 15<sup>th</sup>. 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)

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.

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.

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

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.

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.

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

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.

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 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.

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 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.

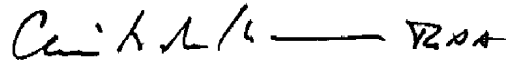
Finding: We found three exceptions. Our findings as a result of the procedure performed is presented on the Reviewer's Findings section of the report.

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

A handwritten signature in black ink, appearing to read "Cynthia L. [unclear] CPA". The signature is written in a cursive style with a horizontal line extending from the middle of the name.

August 30, 2024  
Gaffney, SC

## Reviewer's Findings

### Finding #1

#### SC LIFE Scholarship

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

**Condition:** During our review of the LIFE scholarships awarded during the 2022-2023 academic year, we found one instance where the 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 a valid signature from the principal or superintendent. However, the transcript indicated that it was a work-in-progress transcript, and not the official final transcript.

**Effect:** The institution misawarded \$5,000 to the student before obtaining a valid high school transcript for scholarship awarding purposes. The institution subsequently obtained the final high school transcript for the student.

**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:** Claflin University concurs with the finding and recommendation. The university has implemented two specific checkpoints in the transcript verification process to prevent future occurrences. The first checkpoint is a comprehensive review conducted on or before July 15<sup>th</sup> ensuring all transcripts are complete and final before the scholarship disbursement deadlines. The second checkpoint occurs just before the disbursement of funds, serving as a final verification to confirm compliance with all requirements. Additionally, Claflin will enhance staff training focused on the scholarship eligibility criteria, improve documentation practices for better tracking and auditing, and strengthen communication with students and high schools regarding transcript requirements.

## Reviewer's Findings, Continued

### Finding #2

#### SC LIFE Scholarship

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

**Condition:** We found five instances where the annual affidavit was not signed prior to the 2022-2023 SC LIFE Scholarship disbursement(s).

**Criteria:** 62-1200.60 (O)(7) states that the institution must retain annual paper or electronic documentation for each award to include at a minimum: Affidavit documenting that the student has never been convicted of any felonies and/or any second alcohol/drug related misdemeanor offenses within the past academic year as stated under the "Student Eligibility" Section.

**Cause:** Management failed to obtain the required affidavit prior to disbursing the 2022-2023 LIFE scholarship.

**Effect:** The institution disbursed LIFE scholarship for the 2022-2023 academic year prior to obtaining a signed affidavit by the student. As a result, the institution is required to immediately reimburse \$22,500 to the SC LIFE Scholarship Program for improperly awarding funds.

Student Sample #	Signed Affidavit	Disbursement Date(s)	Misawarded
#1	5/4/2023	11/10/2022 & 3/23/2023	\$ 5,000 (Fall 2022 and Spring 2023)
#7	1/13/2023	11/10/2022	\$ 3,750 (Fall 2022)
#12	4/23/2023	11/10/2022 & 3/23/2023	\$ 5,000 (Fall 2022 and Spring 2023)
#22	4/31/2023	11/10/2022 & 3/23/2023	\$ 5,000 (Fall 2022 and Spring 2023)
#25	2/14/2023	11/10/2022	\$ 3,750 (Fall 2022)

**Recommendation:** We recommend the institution evaluate current policies and procedures to reduce the risk of awarding and disbursing prior to obtaining all required documentation.

**Management Response:** Claflin University concurs with the finding and recommendation. We will develop an electronic form specifically designed to streamline the collection and verification of all required documentation, including the annual affidavit. This electronic form will be incorporated into the initial scholarship award package, ensuring that all requisite forms are listed and received before any scholarship funds are disbursed. Furthermore, we have instituted a mandatory review process to verify the completeness and accuracy of all forms prior to disbursement.

## Reviewer's Findings, Continued

### Finding #3

#### SC LIFE Scholarship

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

**Condition:** During our review of LIFE scholarships awarded during the 2022-2023 academic year, we found one instance where the institution did not properly identify a student's continued eligibility in the program.

**Criteria:** 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:** Oversight of personnel in the financial aid office regarding continued eligibility of the LIFE scholarship program.

**Effect:** The institution did not award and disburse the student \$5,000 of SC LIFE scholarship in its 2<sup>nd</sup> and 3<sup>rd</sup> year of enrollment despite being eligible and not exceeding the cost of attendance. The institution must make the necessary and appropriate adjustments to award the student with the SC LIFE Scholarship in the amount of \$10,000.

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

**Management Response:** Claflin University concurs with the finding and recommendation. We will conduct comprehensive retraining for all financial aid office staff on eligibility criteria emphasizing the verification of each student's academic performance and credit hour accumulation. A specialized training session for student aid is scheduled for October to include detailed instructions on monitoring academic progress and credit hour requirements. Additionally, we are enhancing our monitoring and review processes to include regular audits and implementing a checklist system to ensure all eligibility criteria are met before any disbursement is approved.

## Reviewer's Findings, Continued

### Finding #4

#### SC LIFE Scholarship

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

**Condition:** We found two instances where a student was awarded LIFE scholarship, but the student did not meet two of the three academic requirements for initial eligibility.

**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:** The students earned at least a 3.0 SC UGP GPA; however, the students did not rank in the top 30% of their graduating class nor did they have test scores required available.

**Effect:** The institution incorrectly disbursed \$5,000 of LIFE Scholarship to each student when they were only eligible for the HOPE Scholarship during their freshman year.

1. One student did not meet the continued eligibility requirements after the 2022-2023 award year and the LIFE Scholarship was not disbursed in the subsequent year.
2. The other student continued to meet the eligibility requirements after the 2022-2023 award and was awarded appropriately.

The institution must refund the LIFE Scholarship Program immediately by returning \$10,000 to the CHE due to the misawarding of LIFE Scholarship funds during initial eligibility. The institution also should make the necessary and appropriate adjustments to award each student with the SC HOPE Scholarship of \$2,800.

**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:** Claflin University concurs with the finding and recommendation. The university's plan to adjust the affected students' awards to the SC HOPE Scholarship and implement a comprehensive evaluation of policies and procedures related to scholarship eligibility determination. Additionally, the proposed enhancements in training for financial aid staff and the establishment of regular assessments are steps that we will take to help prevent future errors to scholarship criteria.



## Reviewer's Findings, Continued

### Finding #5

#### HOPE Scholarship

Based on a sample of fourteen (14) students

**Condition:** We found two instances where the annual affidavit was not signed prior to the 2022-2023 HOPE Scholarship disbursement(s).

**Criteria:** 62-900.125 (C)(6) states that the institution must retain annual paper or electronic documentation for each award to include at a minimum: Affidavit documenting that the student has never been convicted of any felonies and/or any second alcohol/drug related misdemeanor offenses within the past academic year as stated under the "Student Eligibility" Section.

**Cause:** Management failed to obtain the required affidavit prior to disbursing the 2022-2023 Hope scholarship.

**Effect:** The institution disbursed HOPE scholarship for the 2022-2023 academic year prior to obtaining a signed affidavit by the student. As a result, the institution is required to immediately reimburse \$5,600 to the HOPE Scholarship Program for improperly awarding funds.

Student Sample #	Signed Affidavit	Disbursement Date(s)	Misawarded
#10	4/17/2024	11/10/2022 & 3/23/2023	\$ 2,800 (Fall 2022 and Spring 2023)
#13	4/20/2023	11/10/2022 & 3/23/2023	\$ 2,800 (Fall 2022 and Spring 2023)

**Recommendation:** We recommend the institution evaluate current policies and procedures to reduce the risk of awarding and disbursing prior to obtaining all required documentation.

**Management Response:** Claflin University concurs with the finding and recommendation. The University will strengthen its verification processes to ensure all necessary documentation is obtained and verified before any scholarship disbursement is made.

## Reviewer's Findings, Continued

### Finding #6, 7, and 8

#### Other Procedures:

**Condition:** We found that the institution invoiced the CHE for amounts that exceeded what was disbursed to students for the Palmetto Fellows, LIFE, and HOPE scholarships.

**Criteria:** 62-370 (B), 62-1200.70 (B), and 62-900.135 state (B), "...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 scholarship programs that were previously invoiced to CHE but not disbursed to students.

**Effect:** The institution must refund the Palmetto Fellows, LIFE, and HOPE scholarship programs for \$7,500, \$14,674, and \$12,600, respectively. The funds must be returned to the CHE immediately.

**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 Response:** Claflin University concurs with the finding and recommendation. To address this issue, the university will immediately refund the excess funds to the CHE and integrate a robust reconciliation process into its monthly close-out reports. This added step will help ensure that future reconciliations are completed accurately and in a timely manner.