

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

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

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

Table of Contents

Independent Accountants' Report On Applying Agreed-Upon Procedures	1-8
Reviewer's Findings	9-16

Independent Accountants' Report On
Applying Agreed-Upon Procedures

Dr. John Dozier
President, Columbia College
1301 Columbia College Dr.
Columbia, SC 29203

Bryce Wilson, CPA
Commission on Higher Education

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

State Lottery Program Disbursed by CHE	Sample Size	Exceptions Noted
Palmetto Fellow Scholarship	1	None Noted
SC LIFE Scholarship	17	3
SC LIFE Scholarship Enhancement	3	1
SC Hope Scholarship	7	3
SC National Guard College Assistance Program	1	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 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.

SC LIFE Scholarship and Enhancement – 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)

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.

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

Enhancement Only:

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

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.

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.

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.

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

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.

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

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 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.

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.

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



December 26, 2024
Gaffney, SC

Reviewer's Findings

Finding #1

SC LIFE Scholarship & Enhancement

Based on a sample of seventeen (17) LIFE Scholarship students and three (3) Enhancements.

Condition: During our review of LIFE scholarships and LIFE Scholarship Enhancements awarded during the 2022-2023 academic year, we found one instance where a student was awarded the SC LIFE Scholarship Enhancement, but the student was not in an eligible program that is approved and assigned a CIP code by the Commission on Higher Education.

Criteria: 62-1200.10 (O)(2) states, to be eligible for a LIFE Scholarship Enhancement each academic year, the student must be enrolled as a full-time, degree-seeking student in a declared major of science or mathematics in an eligible program that is approved and assigned a CIP code by the Commission on Higher Education at the time of disbursement of LIFE Scholarship Enhancement funds. Eligible programs include degrees awarded in math and science fields, computer science or informational technology, engineering, science education, math education and healthcare and related disciplines including medicine and dentistry. The student must meet all requirements for satisfactory academic progress towards completion of the declared major as established by the policies of both the institution and the academic department in which the student is enrolled.

Cause: This was an oversight due to the amount of transition in the office during the 2022-2023 academic year.

Effect: The student was incorrectly awarded and disbursed the LIFE Scholarship Enhancement for a total of 6 terms. The institution must refund the LIFE Scholarship Enhancement Program immediately by returning \$7,500 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:

We concur with this finding. We acknowledge \$7,500 will need to be returned to CHE. The institution will return the funds to CHE by January 16, 2025. Counselors will complete a course evaluation at the time of awarding. Before funds are requested from CHE, each student will be validated by the Director of Financial Aid or designated person to validate eligibility, major, and enhancement awards.

Reviewer's Findings, Continued

Finding #2

SC LIFE Scholarship & Enhancement

Based on a sample of seventeen (17) LIFE Scholarship students and three (3) Enhancements.

Condition: During our review of LIFE scholarships and LIFE Scholarship Enhancements awarded during the 2022-2023 academic year, we found one instance where the institution did not properly identify the student's continued eligibility for LIFE Scholarship and LIFE Scholarship Enhancement.

Criteria: 62-1200.15 (A) states, that a student must meet the following criteria to renew eligibility for the LIFE Scholarship:

- Continue to meet all eligibility requirements as stated in the "Student Eligibility" section;
- Earn a cumulative LIFE GPA of 3.0 or higher and
- Meet the annual credit hour requirements based on the initial enrollment date:
 - Entering second year - 30 non-remedial credit hours (or equivalent)
 - Entering third year - 60 credit hours (or equivalent)
 - Entering fourth year - 90 credit hours (or equivalent)

62-1200.10 (P) states, "...During the student's final term of attendance, not to exceed the eighth term of enrollment based on initial college enrollment, the institution may prorate the LIFE Scholarship and the LIFE Scholarship Enhancement award amount, for the number of credit hours attempted for the current term of attendance, which must be the term of graduation for the student. Proration will be based on 12 credit hours.

Cause: This was an oversight due to the amount of transition in the office during the 22-23 academic year.

Effect: The institution inadvertently omitted a student's continued LIFE Scholarship and LIFE Scholarship Enhancement eligibility during the student's final term of attendance. The student enrolled in 11 credit hours during the term of graduation (spring 2023) and was eligible for the prorated scholarship in the amount of \$3,438.

The institution must make all appropriate and necessary adjustments to award the LIFE Scholarship and LIFE Scholarship Enhancement to the student for the spring 2023 term. Because the institution did not catch this error while still in the 2022-2023 academic year, the institution must forfeit reimbursement of \$3,438 from the LIFE Scholarship and LIFE Scholarship Enhancement Programs.

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

Management Response:

We concur with this finding. The institution will make the necessary adjustments to award the student by January 16, 2025. Counselors will complete a course evaluation at the time of awarding. Credit will be issued to the student's account. Before funds are requested from CHE, each student will be validated by the Director of Financial Aid or a designated person to validate eligibility, major, and proration for graduating seniors.

Reviewer's Findings, Continued

Finding #3

SC LIFE Scholarship

Based on a sample of seventeen (17) 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: 62-1200.70 (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: There was management oversight in the process of obtaining a valid high school transcript for scholarship awarding purposes prior to disbursing LIFE Scholarship funds for the 2022-2023 academic year.

Effect: 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 \$5,000 to the SC LIFE 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 Response:

We concur with this finding. We acknowledge \$5,000 will need to be returned to CHE. The institution will return the funds to CHE by January 16, 2025. Counselors will complete a course evaluation at the time of awarding to confirm receipt of the official final high school transcript. Before funds are requested from CHE, each student will be validated by the Director of Financial Aid or designated person to validate eligibility, major, enhancement awards, and receipt of the final official high school transcript.

Reviewer's Findings, Continued

Finding #4

SC LIFE Scholarship

Based on a sample of seventeen (17) students

Condition: During our review of LIFE scholarships awarded during the 2022-2023 academic year, we found one instance where the institution did not identify the student's ineligibility for LIFE Scholarship at the end of the previous academic year (2021-2022). The student did not meet all the continued eligibility requirements.

Criteria: 62-1200.15 (A) states, that a student must meet the following criteria to renew eligibility for the LIFE Scholarship:

- Continue to meet all eligibility requirements as stated in the "Student Eligibility" section;
- Earn a cumulative LIFE GPA of 3.0 or higher and
- Meet the annual credit hour requirements based on the initial enrollment date:
 - Entering second year - 30 non-remedial credit hours (or equivalent)
 - Entering third year - 60 credit hours (or equivalent)
 - Entering fourth year - 90 credit hours (or equivalent)

Cause: This was an oversight due to the amount of transition in the office during the 22-23 academic year.

Effect: At the end of the 2021-2022 academic year the student did not earn a minimum of 90 credit hours as required based on initial college enrollment.

The student was incorrectly awarded and disbursed \$5,000 of SC LIFE 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.

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

Management Response:

We concur with this finding. We acknowledge \$5,000 will need to be returned to CHE. The institution will return the funds to CHE by January 16, 2025. Counselors will complete a course evaluation at the time of awarding to confirm receipt of the official final high school transcript. Before funds are requested from CHE, each student will be validated by the Director of Financial Aid or designated person to validate eligibility, major, enhancement awards, and receipt of the final official high school transcript.

Reviewer's Findings, Continued

Finding #5

SC HOPE Scholarship

Based on a sample of seven (7) students

Condition: During our review of the HOPE Scholarships awarded during the 2022-2023 academic year, 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.

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:

We concur with this finding. We acknowledge \$2,800 will need to be returned to CHE. Credit will be issued to the student's account. The institution will return the funds to CHE and will make the necessary adjustments to award the student by January 16, 2025. Counselors will complete a course evaluation at the time of awarding. Before funds are requested from CHE, each student will be validated by the Director of Financial Aid or designated person to validate eligibility, major, and enhancement awards.

Reviewer's Findings, Continued

Finding #6

SC HOPE Scholarship

Based on a sample of seven (7) students

Condition: During our review of the HOPE Scholarships awarded during the 2022-2023 academic year, we found one instance where the high school transcript used to determine initial eligibility was not made 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 institution was unable to locate a final high school transcript due to the transition of staff in pertinent offices during the 2022-2023 academic year.

Effect: We could not verify the student's eligibility for the HOPE scholarship due to lack of documentation. The institution is required to immediately reimburse \$2,800 to the SC 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. We recommend the institution evaluate their record retention policy and ensure that all staff are properly trained.

Management Response:

We concur with this finding. We acknowledge \$2,800 will need to be returned to CHE. The institution will return the funds to CHE by January 16, 2025. Counselors will complete a course evaluation at the time of awarding to confirm receipt of the official final high school transcript. Before funds are requested from CHE, each student will be validated by the Director of Financial Aid or designated person to validate eligibility, major, enhancement awards, and receipt of the final official high school transcript.

Reviewer's Findings, Continued

Finding #7

SC HOPE Scholarship

Based on a sample of seven (7) students

Condition: During our review of the HOPE scholarships awarded during the 2022-2023 academic year, we found one instance where the institution did not properly identify the student's initial term of eligibility. The student enrolled in the spring 2022 term but did not receive the HOPE disbursement. The institution awarded this student with HOPE scholarship funds in 2022-2023. The student was not considered a freshman in the spring 2023 term.

Criteria: 62-900.100 states,

- A. Students are eligible to receive the SC HOPE Scholarship for no more than two terms (or its equivalent) during the freshman year of attendance only.
- B. The maximum number of terms of eligibility is based on the student's initial college enrollment with the exception of credit hours earned during the summer session immediately prior to the student's initial college enrollment.
- C. If a student enrolls mid-year (spring term) and receives the SC HOPE Scholarship during that term, then qualifies to receive the LIFE Scholarship at the end of the summer term, the student will not be eligible to receive the SC HOPE Scholarship for the next term. If the student does not meet the requirements to qualify for the LIFE Scholarship, then the student may receive the SC HOPE Scholarship the next term of eligibility.

Cause: Control Weakness- the institution did not capture the correct initial HOPE scholarship eligibility.

Effect: The student was incorrectly awarded and disbursed \$1,400 of SC HOPE Scholarship during the student's third term of college enrollment and when the student was no longer on their freshman year. The institution must refund the HOPE Scholarship program immediately by returning \$1,400 to the CHE due to the improperly awarding the HOPE Scholarship in the spring 2023 term.

The institution must make all appropriate and necessary adjustments to award the HOPE Scholarship to the student for the spring 2022 term. Because the institution did not catch this error while still in the 2022-2023 academic year, the institution must forfeit reimbursement of \$1,400 from the HOPE 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:

We concur with this finding. We acknowledge \$1,400 will need to be returned to CHE. The institution will return the funds to CHE and will make the necessary adjustments to award the student by January 16, 2025. Counselors will complete a course evaluation at the time of awarding to confirm student's initial term of eligibility. Before funds are requested from CHE, each student will be validated by the Director of Financial Aid or designated person to validate initial term, eligibility, major, enhancement awards, and receipt of the final official high school transcript.

Reviewer's Findings, Continued

Finding #8 and #9

Other Procedures

Condition: We found that the institution over-invoiced the CHE for SC LIFE Scholarships and SC HOPE Scholarships to students in the amount of \$1,250 and \$6,350, respectively, during the 2022-2023 academic year.

Criteria: 62-1200.70 (B) and 62-900.135 (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 the CHE for scholarships that were previously invoiced to the CHE, but never disbursed.

Effect: The institution is not in compliance with the CHE fund management requirements and must return the LIFE and HOPE Scholarship funds of \$1,250 and \$6,350 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:

We concur with this finding. We acknowledge \$1,250 and \$6,350 will need to be returned to CHE. The institution will return the funds to CHE by January 16, 2025. Before funds are requested from CHE, each student will be validated by the Director of Financial Aid or designated person to validate initial term, eligibility, major, enhancement awards, and receipt of the final official high school transcript. Once funds are received, the Director of Financial Aid or designated person will reconcile funds disbursed and invoiced to determine if any funds should be returned.