

**SPARTANBURG COMMUNITY COLLEGE
STATE LOTTERY PROGRAMS
SPARTANBURG, SOUTH CAROLINA**

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

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

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Independent Accountants' Report On
Applying Agreed-Upon Procedures

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Bryce Wilson, CPA
Commission on Higher Education

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

<u>State Lottery Programs Disbursed by CHE</u>	<u>June 30, 2023</u>
Palmetto Fellow Scholarship	Yes
SC LIFE Scholarship	Yes
SC National Guard College Assistance Program	Yes
SC Need-based Grant	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.

Spartanburg Community College
 State Lottery Programs

The result of those procedures are as follows:

State Lottery Program Disbursed by CHE	Sample Size	Exceptions Noted
Palmetto Fellow Scholarship	1	None Noted
SC LIFE Scholarship	25	1
SC National Guard College Assistance Program	2	None Noted
SC Need-based Grant	25	None Noted

Palmetto Fellows Scholarship - 62-300 - 62-375

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

We found no exceptions as a result of this procedure.

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

We found no exceptions as a result of this procedure.

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

We found no exceptions as a result of this procedure.

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

We found no exceptions as a result of this procedure.

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

We found no exceptions as a result of this procedure.

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

We found no exceptions as a result of this procedure.

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

We found no exceptions as a result of this procedure.

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

We found no exceptions as a result of this procedure.

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

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

We found no exceptions as a result of this procedure.

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

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

We found no exceptions as a result of this procedure.

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

We found no exceptions as a result of this procedure.

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

We found no exceptions as a result of this procedure.

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

We found no exceptions as a result of this procedure.

SC LIFE Scholarship – 62-1200.1 – 62-1200.75

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

We found no exceptions as a result of this procedure.

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

We found no exceptions as a result of this procedure.

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

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 – 62-1200.1 – 62-1200.75, Continued

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

We found no exceptions as a result of this procedure.

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

We found no exceptions as a result of this procedure.

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

We found no exceptions as a result of this procedure.

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

We found no exceptions as a result of this procedure.

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

We found no exceptions as a result of this procedure.

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

We found no exceptions as a result of this procedure.

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

We found no exceptions as a result of this procedure.

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

We found no exceptions as a result of this procedure.

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

We found no exceptions as a result of this procedure.

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

We found no exceptions as a result of this procedure.

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

1. We obtained proof of student eligibility from CHE.

We found no exceptions as a result of this procedure.

2. We obtained the 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.

SC Need-based - 62-450 - 62-505

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

We found no exceptions as a result of this procedure.

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

We found no exceptions as a result of this procedure.

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

We found no exceptions as a result of this procedure.

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

We found no exceptions as a result of this procedure.

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

We found no exceptions as a result of this procedure.

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

We found no exceptions as a result of this procedure.

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

We found no exceptions as a result of this procedure.

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

We found no exceptions as a result of this procedure.

9. We obtained the institutional transcript and the satisfactory academic progress evaluation to verify that the student maintained continued eligibility for the SC Need-based Grant, once enrolled as follows:

- Completed a minimum of six credit hours if part-time for the semester or twelve credit hours if full-time for the semester.
- Made satisfactory academic progress toward a degree as determined by the institution.

We found no exceptions as a result of this procedure.

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

We found no exceptions as a result of this procedure.

SC Need-based Grant - 62-450 - 62-505, Continued

11. We obtained the financial aid record to verify and document the following:

- Award not to exceed the cost of attendance (Title IV methodology)
- Award amounts not to exceed \$1,750 per eligible part-time student per academic year.
- Award amounts not to exceed \$3,500 per eligible full-time student per academic year.
- Award amounts not to exceed 50 percent of the annual award in any one term.

We found no exceptions as a result of this procedure.

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

We found no exceptions as a result of this procedure.

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

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

We are required to be independent of Spartanburg Community 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 Spartanburg Community College and is not intended to be and should not be used by anyone other than those specified parties.



June 19, 2024
Gaffney, SC

Reviewer's Findings

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 the student's initial term of eligibility.

Criteria: 62-1200.10 (A) states, students must earn a cumulative 3.0 grade point average (GPA) upon high school graduation on the Uniform Grading Policy if a first-time entering freshman at an eligible two-year or technical institution. No other grading policy will be allowed to qualify for the LIFE Scholarship be admitted, enrolled full-time, and classified as a degree-seeking student at a public or independent institution in South Carolina.

62-1200.10 (F) states, first-time entering freshmen who enroll mid-year (spring semester) are eligible for the LIFE Scholarship if they qualified upon high school graduation.

Cause: An oversight due to the inexperience of new personnel in the financial aid office regarding LIFE scholarship eligibility criteria.

Effect: The institution inadvertently omitted a student's initial LIFE scholarship of \$2,500 during the Spring 2022 semester. The institution must make the necessary and appropriate adjustments to award the student with the SC LIFE Scholarship in the amount of \$2,500.

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

Management's Response: The error occurred over two years ago and is attributed to human error. The staff member with responsibility has gained more experience since that time to prevent this error from occurring again. The assistant director of financial aid has reviewed the current process for identifying eligible LIFE students and has confirmed the process is functioning accurately. The assistant director will continue to monitor the reports to ensure the staff member does not need additional training.

Other Procedures

Condition: We found that the institution did not invoice the CHE for \$5,000 of LIFE scholarships to students during the 2022-2023 academic year.

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

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

Cause: Oversight in the process of reconciling and invoicing the CHE for scholarships that were disbursed to students.

Effect: The institution did not invoice the CHE for two LIFE scholarships in the amount of \$2,500 each.

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: The Finance Office will balance the Life Scholarship account each semester once financial aid is disbursed. Before submitting the invoice to CHE for reimbursement, the students that were disbursed Life Scholarship during the semester and general ledger will be compared for accuracy.