

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

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



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

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Bryce Wilson, CPA  
Commission on Higher Education

We have performed the procedures enumerated below for Spartanburg Methodist College's State Lottery programs disbursed by the Commission on Higher Education (CHE) as of June 30, 2023. Spartanburg Methodist 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 Methodist 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 Methodist 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>
SC LIFE Scholarship	Yes
SC National Guard College Assistance Program	Yes
SC Need- based Grant - Foster Care	Yes
Lottery Tuition Assistance	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>
SC LIFE Scholarship	25	None Noted
SC National Guard College Assistance Program	1	None Noted
SC Need-based Grant - Foster Care	1	None Noted
Lottery Tuition Assistance	25	None Noted

**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.

We found no exceptions as a result of this procedure.

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)

We found no exceptions as a result of this procedure.

**SC LIFE Scholarship – 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.

**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.

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

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 procedures.

**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.

**Foster Care, Continued**

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.

**Lottery Tuition Assistance (LTA) - 62-900.150 – 62-900.200**

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 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 or completed a FAFSA Waiver each academic year.

We found no exceptions as a result of this procedure.

3. We obtained the student's financial aid records to verify that the student is not in default and does not owe a refund or repayment on any federal or state financial aid including state scholarship or grants, a Federal Pell Grant, a Supplemental Educational Opportunity Grant, The Federal Perkins Loan, or Federal Stafford Loan programs.

We found no exceptions as a result of this procedure.

4. We obtained the institutional transcript and documented the student enrollment status to verify that the student was enrolled in at least 6 credit hours.

We found no exceptions as a result of this procedure.

5. We obtained the institutional transcript and evidence that the student is making satisfactory academic progress as defined by the institution.

We found no exceptions as a result of this procedure.

6. We obtained the student's satisfactory academic progress (SAP) calculation and the institutional transcript to verify that the student earned at least a 2.0 GPA.

We found no exceptions as a result of this procedure.

7. We obtained financial aid records to determine if the student was eligible for or received the SC HOPE, LIFE, or Palmetto Fellows Scholarship.

We found no exceptions as a result of this procedure.



**Lottery Tuition Assistance (LTA) - 62-900.150 – 62-900.200, Continued**

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.

9. We obtained the financial aid record and documented the award order, award amounts, and the COA to verify that all federal aid and SC Need-based grants were awarded first and that the cost of attendance was not exceeded. If the institution is an independent institution, we verified that the award amount did not exceed the highest-in- state tuition rate at a two-year public institution.

We found no exceptions as a result of this procedure.

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

We found no exceptions as a result of this procedure.

11. We obtained the student's financial aid file to verify that the student did not receive LTA for more than one certificate, diploma, or degree earned within a five-year period (unless it constituted progress in the same field of study).

We found no exceptions as a result of this procedure.

12. We obtained evidence that the student did not receive LTA at more than one institution during the same semester.

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.

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



July 29, 2024  
Gaffney, SC