MORRIS COLLEGE
PROCESS FOR MONITORING THE EXPENDITURE OF LOTTERY FUNDS

Introduction and Statutory Authority

The following information represents the procedures and administrative practices used by Morris College to comply with required regulations as promulgated by the South Carolina Commission on Higher Education regarding the expenditures of the following Lottery Funds:

- LIFE Scholarships
- HOPE Scholarships
- South Carolina National Guard College Assistance Program (SCNG-CAP)
- Palmetto Fellows Scholarship Program
- South Carolina Higher Education Excellence Enhancement Program (HEEEP)

Statutory Authority

- LIFE Scholarship [1976 Code Section 59-149-10, Document Number 5052, 62-1200.1 - 62.1200.75]; amended Section 59-149-15(B) and Act 156.
- HOPE Scholarships [1976 Code Section 59-150-370, Document Number 5006, 62-900.85 - 62-900.140]
- South Carolina National Guard College Assistance Program [1976 Code Section 59-114-75, Document Number 4936, 62-250 - 62-262]
- Palmetto Fellows Scholarship Program [1976 Code Section 59-104-20, Document Number: 5053, 62-300 - 62-375]; amended Section 59-104-25(B) and Act 156.
- South Carolina Higher Education Excellence Enhancement Program (HEEEP) [Section 2-77-30 SC Code of Laws]

The processes used by Morris College to monitor expenditures related to the above programs comply with the regulations and laws outlined by the South Carolina Commission on Higher Education and are listed below.

Policies, Procedures and Practices by Morris College to Monitor Lottery Fund Expenditures

For the LIFE and HOPE scholarships, eligibility is determined by evaluating the academic records of new and returning students based on the criteria established for each scholarship.

1. For accepted, prospective freshman students, high school transcripts for the seventh semester are evaluated by the Office of Financial Aid and initial conditional awards are made pending receipt of the final high school transcript.
2. A list of students with initial conditional awards, who subsequently enroll, is forwarded to the Office of Strategic Planning and Initiatives (IR Office) for verification of high school GPA's, ranks, SAT/ACT scores, and current credit-hour enrollment in non-remedial courses.
3. The Office of Strategic Planning and Initiatives also adds to the list the names of any other new students or returning students, who are eligible.

4. The above list will be reconciled with the Office of Financial Aid who will also verify residency of each student and receive signatures on the affidavits.
5. Office of Financial Aid will send a final list of the eligible students and the award amounts distributed (Awards Document) to the Office of Strategic Planning and Initiatives.
6. See **ALL** below.

For the Palmetto Fellows Scholarship, eligibility will be determined by the SC Commission on Higher Education.

1. Office of Strategic Planning and Initiatives will verify the enrollment of the list of students from the Office of Financial Aid.
2. Office of Financial Aid will send the list of eligible students and the award amounts distributed (Detail Awards Document) to the Office of Strategic Planning and Initiatives.
3. See **ALL** below.

For the SCNG Scholarship

1. Office of Financial Aid receives a list from SC Commission on Higher Education.
2. Office of Financial Aid verifies the enrollment and satisfactory progress of the students enrolled.
3. Office of Financial Aid sends a list of the eligible students and the award amounts distributed (Awards Document) to the Office of Strategic Initiatives.
4. Office of Strategic Planning and Initiatives verifies the credit hours enrolled and any discrepancies are reconciled.
5. See **ALL** below.

ALL

1. Office of Strategic Planning and Initiatives requests funds (via invoices) based on the number of students who meet the required criteria for each scholarship program. The invoices, along with the Detail Awards Documents for each scholarship program, are emailed to the SC Commission on Higher Education.
2. Office of Strategic Planning and Initiatives compiles the scholarship award information and the Pell grant recipients' information, from the Office of Financial Aid, into a Scholarship file, which is submitted to the SC Commission on Higher Education (uploaded in the CHEMIS system).
3. Office of Financial Aid and Office of Finance and Administration distribute/post funds to student accounts when received, based on the student's enrollment status at the time the funds are received.
4. Office of Financial Aid and Office of Finance and Administration's adjustments to the awards and the students' accounts follow the same refund process that is used to adjust/refund other student aid programs.
5. Office of Strategic Planning and Initiatives verifies the continuing eligibility of returning students each semester.
6. At the end of each semester the Office of Strategic Planning and Initiatives reconciles funds requested with funds awarded and distributed by the Office of Financial Aid to determine any variances.

7. The Office of Strategic Planning and Initiatives adjusts the funds requested/funds invoiced to the SC Commission on Higher Education each semester based on adjusted amounts from the prior semester.
8. A Scholarship file is submitted each semester to the SC Commission on Higher Education with records of each award and each award adjustment from prior semester.
9. This process is executed each fall and spring semester.

Summer Reconciliation

1. Office of Strategic Planning and Initiatives requests and receives a final awards list from the Office of Financial Aid by **June 1** to check for any other adjustments to the Fall or Spring award amounts for LIFE, HOPE, and SCNG.
2. The adjustments are submitted to the SC Commission on Higher Education in the same file format as the Fall and Spring uploads. Summer Pell recipients are included in the file. Posted deadline for submission is usually around mid-June.
3. Adjustments made during the summer reconciliation process are reflected in the subsequent fall semester request/invoice.

Higher Education Excellence Enhancement Program (HEEEP)

All expenditures of HEEEP funds require the following procedures:

a. Requisitions for expenditures of HEEEP funds must meet the disbursement policies outlined in SC Section 2-77-30.
b. The expenditures are consistent with the annual budget presented to the South Carolina Commission on Higher Education. The annual budget outlines the planned expenditures (line items) from the approved listing set forth by SC Section 2-77-30.
c. All requisitions (requests for expenditures) are reviewed and approved by the Vice President of Finance and Administration and/or the Office of the President for compliance with the HEEEP budget.
d. If required, the Office of Finance and Administration will prepare a purchase order and send it to the vendor providing the goods and/or services.
e. When a vendor invoice is received, the invoice is verified and confirmation of receipt of goods and or/services is indicated by requestor signature on the vendor invoice.
f. Disbursement of HEEEP funds are recorded in the General Ledger by expense category.
g. HEEEP funds are then requested from the HEEEP restricted bank account as reimbursement of HEEEP funds expended.
h. On an annual basis, a financial summary report of HEEEP Funds is prepared as outlined and forwarded to the SC Commission on Higher Education.

Summary

In addition to the internal financial accounting and management controls outlined above, Morris College has an annual audit of its financial statements (including lottery funds) by the Independent Accounting Firm of Mauldin & Jenkins CPAs & Advisors. The audit for the latest fiscal year ending June 30, 2024 did not result in any findings or questioned costs associated with South Carolina Commission of Higher Education Lottery funds. The audit for the fiscal year ending June 30, 2025 is not complete at this time.