



S.C. Commission on Higher Education
Attn: Christina L. Seale
1122 Lady Street
Suite 400
Columbia, SC 29201

October 2, 2023

To whom it may concern,

The Spartanburg Methodist College Office of Financial Aid has a system in place for the awarding of lottery funds, including SC Tuition Grants, SC Palmetto Fellows Scholarship, SC LIFE Scholarship, SC Lottery Tuition Assistance Program, and the SC National Guard Tuition Repayment Program/College Assistance Program using rules and regulations issued from the Commission on Higher Education and the SC Tuition Grants Commission. The financial aid office completes an internal audit of these awards multiple times during the academic year when completing the required CHE State Scholarship Report.

Spartanburg Methodist College has partnered with Cherry Bekaert to complete annual external audits of the state scholarship programs. Through these audits, Cherry Bekaert selects an appropriate sample to verify that the award recipients meet all eligibility requirements, including monitoring GPA, credit hours attempted, credit hours earned, SAT/ ACT scores, class rank, high school GPA, etc., and that the award amounts are correct. The SMC Office of Financial Aid works closely with CHE to maintain eligibility requirements, credit hours earned, including monitoring GPA, and proper reporting of the SC National Guard Tuition Repayment Program/ College Assistance Program, which also completes an internal audit of these awards multiple times during the academic year when completing the required CHE State Scholarship Report.

Please see the attached document for additional procedures regarding aid reconciliation.

If you need any further information from us, please do not hesitate to contact me.

Thank you,

A handwritten signature in black ink, appearing to read "Kyle Wade". The signature is fluid and cursive, written over a light blue horizontal line.

Kyle Wade
Director of Financial Aid & Enrollment Services
Spartanburg Methodist College
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BUSINESS OFFICE PROCEDURES FOR RECONCILING FINANCIAL AID

Posting: Financial aid posts aid to student accounts. The timing of the postings is determined by the financial aid office to maintain compliance with Federal/State laws. When aid is posted, the financial aid office provides an aid disbursement report to the Controller that lists aid by student detail. The Controller posts the aid through to the general ledger which is housed in Financial Edge. The post date for aid is the same as the disbursement date provided by financial aid within the aid disbursement report.

Reconciling: Every category of federal and state aid has its own general ledger account in the general ledger. Each month, the general ledgers are compared to the aid reports from within the student information system. Accounts are reconciled each month down to the student level. Any discrepancies are reported to the Director of Financial Aid and are researched, and adjustments made if deemed necessary.

Funding: Once each general ledger account is reconciled, the aid is requested depending upon the type of aid. Federal aid is drawn down from the federal G-5 website and deposited into a federal funds holding bank account before being transferred to the operating account. Any refund resulting from application of Title IV funds is returned to student within 14 days of being posted to their account. State aid is requested in the form of an invoice prepared and submitted by the financial aid office. The Controller will provide the financial aid office a copy of the general ledger for each type of aid being requested and a student listing that is reconciled to that total. After the request is made, those funds will be direct deposited into the operating bank account for the College. Every Friday, the Controller will view direct deposits for that week to determine if any federal, state, or other aid has come in. These amounts are communicated to the financial aid office.

Audit: Each reconciliation is updated monthly. At the end of the year, the Controller provides access to all reconciliations for both federal and state aid to the Auditors for review.