

**SOUTH CAROLINA STATE UNIVERSITY
STATE LOTTERY PROGRAMS
ORANGEBURG, SOUTH CAROLINA**

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

SOUTH CAROLINA STATE UNIVERSITY
STATE LOTTERY PROGRAMS
For the Year Ended June 30, 2023

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Independent Accountants' Report On
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Bryce Wilson, CPA
Commission on Higher Education

We have performed the procedures enumerated below for South Carolina State University's State Lottery programs disbursed by the Commission on Higher Education (CHE) as of June 30, 2023. South Carolina State University'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 South Carolina State University'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 South Carolina State University 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 Hope 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.

The results of those procedures are as follows:

State Lottery Program Disbursed by CHE	Sample Size	Exceptions Noted
Palmetto Fellow Scholarship	1	1
SC LIFE Scholarship	25	2
SC Hope Scholarship	22	2
SC National Guard College Assistance Program	3	None Noted
SC Need-Based Grant	25	1

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

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.

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

SC LIFE Scholarship – 62-1200.1 – 62-1200.75, Continued

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 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 one exception. Our finding 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.

SC LIFE Scholarship – 62-1200.1 – 62-1200.75, Continued

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 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.

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.

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

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 \$22,000We 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.

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

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 Grant - 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 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 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.

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

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.

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 three exceptions. Our findings 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 South Carolina State University 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 South Carolina State University and is not intended to be and should not be used by anyone other than those specified parties.



February 28, 2025
Gaffney, SC

Reviewer's Findings

Finding #1

Palmetto Fellows Scholarship

Based on a sample of one (1) Palmetto Fellows Scholarship

Conditions: During our review of the Palmetto Fellows scholarships awarded during the 2022-2023 academic year, we found one instance where a first-time freshman student was incorrectly awarded and disbursed \$7,500 instead of the allowable amount of \$6,700.

Criteria: 62-330 (A) states, the institution will identify award amounts, which cannot exceed:

1. \$6,700 the first/freshman year and \$7,500 for the second year, third year, fourth year, and fifth year (if applicable) for the Palmetto Fellows Scholarship.

Cause: There was management oversight in the process of awarding and disbursing the appropriate amount for a first-time freshman student.

Effect: A first-time freshman student was over awarded \$800 during the first year of receiving the Palmetto Fellows Scholarship. The institution must refund the Palmetto Fellows Scholarship Program immediately by returning \$800 to CHE for improperly awarding the scholarship.

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 the above finding and acknowledge that the funds need to be returned to CHE immediately. The requested funds of \$800 will be reimbursed to CHE within 10 business days. New procedures were implemented for the 24-25 academic year to ensure that the Director of Financial Aid and Financial Aid Staff work together to review the process of awarding and disbursing the appropriate amount of the Palmetto Fellows Scholarship.

Finding #2

SC LIFE Scholarship

Based on a sample of twenty-five (25) students

Condition: During our review of the LIFE scholarships awarded during the 2022-2023 academic year, we found one instance where a first-time freshman student met two of the three initial eligibility requirements for the LIFE scholarship, but the institution failed to award the student appropriately. The student earned at least a 3.0 SC UGP GPA and ranked in the top 30% of their graduating class.

Criteria: 62-1200.10 A. states, to be eligible for a LIFE Scholarship, students must:
(3) (A-C) Meet two of the three criteria if a first-time freshman at an eligible four-year institution:

- 3.0 SC UGP GPA
- 1100 SAT or 22 ACT
- Ranked in top 30% of graduating class.

Cause: There was management oversight in the process of identifying the students' initial eligibility for the LIFE Scholarship Program.

Finding #2, Continued

Effect: The institution omitted a student's initial LIFE Scholarship eligibility during the student's 2021-2022 academic year in the amount of \$5,000.

The institution must make all appropriate and necessary adjustments in the 2021-2022 academic year to award the student the LIFE Scholarship using \$5,000 of its institutional funds. Because the institution did not catch this error while still in the 2021-2022 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 the determination of initial and continued eligibility and identify weaknesses that increase the risk of incorrect awarding and disbursing.

Management Response: We concur with the above finding. A new procedure was implemented for the 24-25 academic year to ensure the Financial Aid Staff, Admissions Staff, and Transfer Student Coordinator work together to evaluate and review the current procedures for initial eligibility for first-time freshman for the State Supported Scholarships/Grants (i.e., LIFE, HOPE, Need-Based Grant, and Palmetto Fellows) scholarship. The Financial Aid Office will make the necessary adjustment and award the student the amount of \$5000 for the 2021-2022 academic year from the Institutional Discretionary Scholarship funds within 10 business days.

Finding #3

SC LIFE Scholarship

Based on a sample of twenty-five students

Condition: During our review of the LIFE scholarships awarded during the 2022-2023 academic year, we found one instance where a student met the continued eligibility requirements for the LIFE Scholarship, but the institution failed to award the student appropriately.

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

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

Cause: There was management oversight caused by frequent office turnover during the 21-22 academic year.

Effect: The institution omitted a student's continued LIFE Scholarship eligibility during the student's 2021-2022 academic year in the amount of \$5,000.

The institution must make all appropriate and necessary adjustments in the 2021-2022 academic year to award the student the LIFE Scholarship using \$5,000 of its institutional funds. Because the institution did not catch this error while still in the 2021-2022 academic year, the institution must forfeit reimbursement of \$5,000 from the LIFE Scholarship Program.

Finding #3, Continued

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 the above finding. A new procedure was implemented for the 24-25 academic year to ensure the Financial Aid Staff, Admissions Staff, and Transfer Student Coordinator work together to evaluate and review the current procedures for continued for 2nd, 3rd, and 4th year students for the State Supported Scholarships/Grants (i.e., LIFE, HOPE, Need-Based Grant, and Palmetto Fellows) scholarship. The Financial Aid Office will make the necessary adjustment and award the student the amount of \$5000 for the 2021-2022 academic year from the Institutional Discretionary Scholarship funds within 10 business days.

Finding #4

SC HOPE Scholarship

Based on a sample of twenty-two (22) students

Condition: During our review of the HOPE scholarships awarded during the 2022-2023 academic year, we found one instance where a sophomore student was improperly awarded a HOPE Scholarship. The institution failed to properly identify the student's initial term of eligibility. The student enrolled in the 2021-2022 academic year as a freshman but did not receive the HOPE Scholarship disbursement until the 2022-2023 academic year when the student was a sophomore.

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: There were control weaknesses and the institution did not capture the correct initial HOPE scholarship eligibility.

Effect: A sophomore student was improperly awarded and disbursed \$2,800 of SC HOPE Scholarship. The institution must refund the HOPE Scholarship Program immediately by returning \$2,800 to CHE for improperly awarding the scholarship in the 2022-2023 term.

The institution must make all appropriate and necessary adjustments to award the HOPE Scholarship to the student for the 2021-2022 academic year. Because the institution did not catch this error while still in the 2021-2022 academic year, the institution must forfeit reimbursement of \$2,800 from the HOPE Scholarship Program.

Finding #4, Continued

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 the above finding. A new procedure was implemented for the 24-25 academic year to ensure the Financial Aid Staff, Admissions Staff, and Transfer Student Coordinator work together to evaluate and review the current procedures for initial eligibility for first-time freshman for the State Supported Scholarships/Grants (i.e., LIFE, HOPE, Need-Based Grant, and Palmetto Fellows) scholarship. The Financial Aid Office will make the necessary adjustment and award the student the amount of \$2800 for the 2021-2022 academic year from the Institutional Discretionary Scholarship funds within 10 business days. Also, the requested funds of \$2800 will be reimbursed to CHE within 10 business days.

Finding #5

SC HOPE Scholarship

Based on a sample of twenty-two (22) 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 valid for scholarship awarding purposes.

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: There was management oversight caused by frequent office turnover during the 2022-2023 academic year and record retention was affected.

Effect: The original high school transcript used to determine the HOPE Scholarship eligibility was not retained in the student's file. The transcript provided included the South Carolina Uniform Grading Policy GPA or "SC UGP" GPA, the graduation date, and a valid signature from the principal or superintendent. However, the transcript indicated a calculation date of January 6, 2025. It appears that the institution subsequently obtained the final high school transcript for the student as a result of this engagement.

Finding #5, Continued

Recommendation: We recommend the institution evaluate their record retention policy and ensure that all staff are properly trained.

Management Response: We concur with the above finding. New procedures were implemented for the 24-25 academic year to ensure that the Financial Aid Office, Admissions Office, and Registrar's Office work together to evaluate students' transcripts to review eligibility for State Supported Scholarships/Grants and to make sure that all staff members from all offices attend the Annual State Scholarship training sponsored by CHE.

Finding #6

SC Need-based Grant (SC NBG)

Based on a sample of twenty-five students

Conditions: During our review of the SC NBG awarded during the 2022-2023 academic year, we found one instance where a student's SC residency could not be verified. The student graduated from a high school institution in Virginia and the Institutional Student Information Record (ISIR) also indicates the state of legal residence as Virginia.

Criteria: 62-465 (A) states, "to be eligible for a Need-based Grant each academic year, the student must: (3) Be a resident of the state of South Carolina for twelve consecutive months as defined in Chapter 112 of Title 59 of the 1976 Code of Laws governing the determination of residency for tuition and fee purposes".

Cause: There was management oversight in the process of evaluating awarding and disbursing the SC NBG to SC residents only.

Effect: The student was incorrectly awarded and disbursed \$3,500 of SC NBG during the 2022-2023 academic year.

The institution must refund the SC NBG Program immediately by returning \$3,500 to CHE for improperly awarding the grant in the 2022-2023 term.

Recommendation: We recommend the institution evaluate their residency policy for SC NBG awarding purposes and ensure that all staff are properly trained.

Management Response: We concur with the above finding. New procedures were implemented for the 24-25 academic year to ensure that the Financial Aid Office and the Registrar's Office work together to verify that student residency has been established in order to determine student eligibility for the need-based grant. The requested funds of \$3,500 will be reimbursed to CHE within 10 business days.

Findings #7-9

Other Procedures

Condition: We found that the institution over-invoiced the CHE for SC HOPE Scholarships, SC NBG Scholarships and SC National Guard Assistance Program Scholarships to students in the amount of \$2,800, \$943 and \$516, respectively, during the 2022-2023 academic year.

Criteria: 62-900.135 (B), 62-500 (B) and 62-260 (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 HOPE, NBG, and National Guard Scholarship funds of \$2,800, \$943, and \$516 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 the above finding. The Director of Financial Aid, Controller's Office, and the Director of Institutional Research will implement procedures and processes for reporting, invoicing, and making adjustments before submission to the Commission. The requested funds of \$2800, \$943, and \$516 will be reimbursed to CHE within 10 business days.