

R. Wes Hayes, Jr.
Chairman

L. Jeffrey Perez, Ph.D.
President and Executive Director



October 1, 2025

The Honorable Harvey S. Peeler, Jr.
Chair, Senate Finance Committee
South Carolina Senate
111 Gressette Building
Columbia, SC 29201

The Honorable Bruce W. Bannister
Chair, House Ways and Means Committee
South Carolina House of Representatives
525 Blatt Building
Columbia, SC 29201

Kevin Etheridge
Acting Director
Executive Budget Office
1200 Senate Street
Columbia, SC 29201

Dear Chairman Peeler, Chairman Bannister and Director Etheridge:

I am pleased to submit to you the South Carolina Commission on Higher Education's (CHE) report on the expenditure of lottery funds for Fiscal Year 2025. Proviso 3.1 of the fiscal year 2025-26 South Carolina General Appropriations Act requires the CHE to develop and implement procedures to annually monitor the expenditures of lottery funds to ensure they are expended in accordance with applicable state laws, rules, and regulations.

The CHE is further required to verify and audit those expenditures annually, and report to the Executive Budget Office, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee by October 1 each year.

This report summarizes how lottery funds were expended in the prior fiscal year (by institution), details issues and concerns discovered as a result of the commission's verification and/or audit activity during the prior fiscal year, and also includes institutional responses to those issues, if any.

Should you have questions about this report please do not hesitate to contact me. Thank you for the work you do on behalf of the citizens of South Carolina and for higher education.

Sincerely,

L. Jeffrey Perez, Ph.D.
President and Executive Director



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FY 2024-25 Lottery Expenditure, Verification, and Audit Report

Background

Per Proviso 3.1 of the FY 2025-2026 Appropriations Act, the South Carolina Commission on Higher Education (CHE) is required to provide a summary report on the FY 2024-2025 lottery fund expenditures and the CHE's verification and audit activity to the Executive Budget Office, the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee. Proviso 3.1 reads:

FY 2025-2026 Proviso 3.1. Excerpt

... the Commission on Higher Education shall provide a report to the Executive Budget Office, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee by October first each year summarizing, by institution, how lottery funds were expended in the prior fiscal year, issues and concerns as well as institution responses to those issues and concerns discovered as a result of the commission's verification and/or audit activity during the prior fiscal year, if any.

Lottery Expenditures

Lottery funds disbursed by the CHE for expenditures at the fund source, program and institutional levels are included in **Attachments A** and **A.2** and are reported by institutional sector in alphabetical order. Please note that in addition to lottery funds, disbursements were also made from the General Fund for the Palmetto Fellows Scholarships and Need-based Grant programs. To provide an accurate portrayal of funds expended for the scholarship and grant programs, CHE staff included all sources of funding. Additionally, verification activities are inclusive of all funding sources for awards made during the academic year.



Verification and Audit Activity

During FY 2024-2025 the CHE outsourced its verification and audit activity with the CPA firm Cline Brandt Kochenower (CBK). CBK conducted Agreed Upon Procedures (AUP) engagements either for FY 2021-2022 or FY 2022-2023 awards made at the following twenty-seven institutions: Allen University, Benedict college, Central Carolina Technical College, Charleston Southern University, Claflin University, Coker University, College of Charleston, Columbia College, Columbia International University, Converse University, Erskine College, Florence-Darlington Technical College, Lander University, Limestone University, Medical University of South Carolina, Newberry College, Orangeburg-Calhoun Technical College, Piedmont Technical College, Presbyterian College, South Carolina State University, South University, Southern Wesleyan University, Spartanburg Methodist College, Technical College of the Low Country, The Citadel, University of South Carolina, Voorhees College. The AUP engagements included the review of initial eligibility, continuing eligibility, disbursements to student accounts, and record retention.

Summary of Issues and Concerns Identified

Issues and concerns identified during the verification and audit activities related to eligibility and disbursement amounts. A total of 70 issues and concerns were noted: Allen University (2), Benedict College (3), Central Carolina Technical College (4), Charleston Southern University (2), Claflin University (13), Coker University (5), College of Charleston (1), Columbia College (9), Columbia International University (1), Converse University (1), Erskine University (1), Medical University of South Carolina (1), Newberry College (11), Orangeburg-Calhoun Technical College (2), Piedmont Technical College (1), South Carolina State University (9), The Citadel (2), Voorhees College (2).

As a result of the findings, a total of \$217,359 in funds were identified to be reimbursed to the lottery account and a total of \$71,938 in funds were identified to be reimbursed to students. Details of the issues and concerns, recommendation(s), and each institution's response(s) are documented in **Attachment B** and are reported by institutional sector in alphabetical order.

Attachment A, Expenditure by Fund Source and Program

Expenditure by Fund Source and Program	FY 2023-24	FY 2024-25
General Funds		
Palmetto Fellows Scholarships	(12,000,000.00)	(12,000,000.00)
Need-Based Grants	(12,000,000.00)	(12,000,000.00)
General Funds Total	\$ (24,000,000.00)	\$ (24,000,000.00)
Lottery Funds		
LIFE Scholarships	(206,804,416.22)	(222,920,940.56)
HOPE Scholarships	(12,573,298.00)	(12,194,243.00)
Palmetto Fellows Scholarships	(59,424,332.59)	(60,597,726.60)
Need-Based Grants	(80,939,969.07)	(75,095,189.57)
National Guard Tuition Repayment Program	(4,071,389.31)	(4,353,055.00)
Lottery Tuition Assistance Program	(3,353,877.80)	(5,121,240.20)
Technology - Repair and Related Maintenance	(8,000,000.00)	(8,000,000.00)
Higher Education Excellence Enhancement Program	(10,500,000.00)	(8,989,662.92)
Lottery Administrative Program Support	(106,589.02)	-
National Guard Administrative	(135,641.96)	(289,792.60)
PASCAL Program	(1,919,007.03)	(1,316,839.77)
IT Security & Technology Upgrades	(14,779.29)	(5,318.46)
Newberry Dyslexia Program	-	(638,239.00)
Institute of Innovations	(450,365.53)	(588,732.00)
College Transition Scholarship Program	(1,981,216.54)	(1,206,250.00)
Coker University - Jim Limke Endowment	(150,000.00)	-
Clafin University - Nursing Scholarships	(1,000,000.00)	-
Nursing Initiative Program	(5,000,000.00)	(4,210,393.19)
Morris College - Partnership with US Military	(450,000.00)	-
Vorhees University - Rebranding Efforts	(100,000.00)	
Lottery Funds Total	\$ (396,974,882.36)	\$ (405,527,622.87)
Grand Total	\$ (420,974,882.36)	\$ (429,527,622.87)

Expenditure by Institution and Program	FY 2023-24	FY 2024-25
Clemson University		
LIFE Scholarships	(32,568,290.06)	(33,285,273.49)
HOPE Scholarships	(189,200.00)	(161,000.00)
Palmetto Fellows Scholarships	(29,190,312.59)	(28,702,328.44)
Need-Based Grants	(9,434,773.00)	(7,501,075.75)
National Guard Tuition Repayment Program	(277,065.50)	(271,564.00)
College Transition Scholarship	(490,908.14)	(85,000.00)
Nursing Initiative	(393,919.00)	(403,622.00)
Clemson University Total	\$ (72,544,468.29)	\$ (70,409,863.68)
University of South Carolina - Columbia		
LIFE Scholarships	(45,996,533.00)	(51,383,512.50)
HOPE Scholarships	(1,860,600.00)	(1,604,279.00)
Palmetto Fellows Scholarships	(19,532,293.00)	(21,128,116.50)
Need-Based Grants	(13,180,646.00)	(7,501,075.75)
National Guard Tuition Repayment Program	(658,625.00)	(792,500.00)
College Transtion Scholarship	(555,931.00)	(320,000.00)
Nursing Initiative	(810,963.00)	(848,248.00)
University of South Carolina - Columbia Total	\$ (82,595,591.00)	\$ (83,577,731.75)
Medical University of South Carolina		
LIFE Scholarships	(246,250.00)	(283,250.00)
Need-Based Grants	(82,250.00)	(12,250.00)
Palmetto Fellows Scholarships	(40,000.00)	(82,500.00)
Nursing Initiative	(327,510.00)	(325,756.00)
Medical University of South Carolina Total	\$ (696,010.00)	\$ (703,756.00)
The Citadel		
LIFE Scholarships	(3,238,535.00)	(3,412,603.50)
HOPE Scholarships	(375,200.00)	(429,800.00)
Palmetto Fellows Scholarships	(533,921.00)	(480,946.00)
Need-Based Grants	(992,191.00)	(899,798.00)
National Guard Tuition Repayment Program	(409,064.00)	(396,770.00)
Technology - Repair and Related Maintenance	(336,141.00)	(336,141.00)
Nursing Initiative	(31,915.00)	(31,654.00)
The Citadel Total	\$ (5,916,967.00)	\$ (5,987,712.50)
Coastal Carolina University		
LIFE Scholarships	(8,096,583.00)	(8,643,151.00)
HOPE Scholarships	(943,985.00)	(1,039,325.00)
Palmetto Fellows Scholarships	(1,068,958.00)	(1,166,551.00)
Need-Based Grants	(4,652,824.00)	(4,420,111.00)
National Guard Tuition Repayment Program	(242,000.50)	(282,562.50)
Technology - Repair and Related Maintenance	(699,612.00)	(699,612.00)
College Transition Scholarship	(303,143.40)	(247,500.00)
Nursing Initiative	(12,891.00)	(12,288.00)
Coastal Carolina University Total	\$ (16,019,996.90)	\$ (16,511,100.50)
College of Charleston		
LIFE Scholarships	(10,791,526.00)	(10,692,130.46)

Expenditure by Institution and Program	FY 2023-24	FY 2024-25
HOPE Scholarships	(831,600.00)	(408,800.00)
Palmetto Fellows Scholarships	(3,814,587.00)	(3,765,068.66)
Need-Based Grants	(4,526,699.00)	(3,922,617.66)
National Guard Tuition Repayment Program	(69,437.00)	(110,000.00)
Technology - Repair and Related Maintenance	(704,187.90)	(704,188.00)
College Transition Scholarship	(253,200.00)	(115,000.00)
College of Charleston Total	\$ (20,991,236.90)	\$ (19,717,804.78)
Francis Marion University		
LIFE Scholarships	(4,930,000.00)	(5,053,132.62)
HOPE Scholarships	(651,000.00)	(659,400.00)
Palmetto Fellows Scholarships	(657,425.00)	(565,000.00)
Need-Based Grants	(3,658,759.00)	(3,332,419.00)
National Guard Tuition Repayment Program	(43,687.50)	(68,062.50)
Technology - Repair and Related Maintenance	(320,888.00)	(320,888.00)
Nursing Initiative	(317,861.00)	(309,328.00)
Francis Marion University Total	\$ (10,579,620.50)	\$ (10,308,230.12)
Lander University		
LIFE Scholarships	(6,656,185.00)	(6,761,784.00)
HOPE Scholarships	(832,930.00)	(842,100.00)
Palmetto Fellows Scholarships	(977,710.00)	(923,312.00)
Need-Based Grants	(3,806,329.00)	(3,369,882.50)
National Guard Tuition Repayment Program	(177,125.00)	(184,875.50)
Technology - Repair and Related Maintenance	(341,677.00)	(341,677.00)
Nursing Initiative	(281,415.00)	(289,561.00)
Lander University Total	\$ (13,073,371.00)	\$ (12,713,192.00)
SC State University		
LIFE Scholarships	(1,518,750.00)	(1,450,000.00)
HOPE Scholarships	(471,800.00)	(546,000.00)
Palmetto Fellows Scholarships	(20,100.00)	(23,400.00)
Need-Based Grants	(3,229,481.00)	(3,048,361.99)
National Guard Tuition Repayment Program	(89,891.00)	(123,859.00)
Higher Education Excellence Enhancement Program	(1,312,500.00)	(1,000,000.00)
Technology - Repair and Related Maintenance	(262,080.00)	(262,080.00)
SC State University Total	\$ (6,904,602.00)	\$ (6,453,700.99)
University of South Carolina - Aiken		
LIFE Scholarships	(4,346,250.00)	(4,896,250.00)
HOPE Scholarships	(617,400.00)	(547,400.00)
Palmetto Fellows Scholarships	(767,100.00)	(938,600.00)
Need-Based Grants	(2,595,724.00)	(2,729,118.00)
National Guard Tuition Repayment Program	(135,075.00)	(178,750.00)
Technology - Repair and Related Maintenance	(310,494.00)	(310,494.00)
College Transition Scholarship	-	(235,000.00)
Nursing Initiative	(250,125.00)	(252,030.00)
University of South Carolina - Aiken Total	\$ (9,022,168.00)	\$ (10,087,642.00)
University of South Carolina - Beaufort		

Expenditure by Institution and Program	FY 2023-24	FY 2024-25
LIFE Scholarships	(2,808,535.00)	(2,975,211.50)
HOPE Scholarships	(440,922.00)	(480,200.00)
Palmetto Fellows Scholarships	(171,050.00)	(210,750.00)
Need-Based Grants	(1,821,990.00)	(1,706,519.00)
National Guard Tuition Repayment Program	(28,063.00)	(35,236.00)
College Transition Scholarship	(234,631.00)	-
Technology - Repair and Related Maintenance	(240,556.00)	(240,556.00)
Nursing Initiative	(75,002.00)	(76,798.00)
University of South Carolina - Beaufort Total	\$ (5,820,749.00)	\$ (5,725,270.50)
University of South Carolina - Upstate		
LIFE Scholarships	(6,063,898.00)	(6,701,785.00)
HOPE Scholarships	(718,200.00)	(821,800.00)
Palmetto Fellows Scholarships	(794,185.00)	(849,750.00)
Need-Based Grants	(5,116,106.00)	(4,954,467.00)
National Guard Tuition Repayment Program	(287,330.00)	(281,064.00)
Technology - Repair and Related Maintenance	(394,951.00)	(394,951.00)
Nursing Initiative	(497,672.00)	(490,971.00)
University of South Carolina - Upstate Total	\$ (13,872,342.00)	\$ (14,494,788.00)
Winthrop University		
LIFE Scholarships	(6,938,522.00)	(7,169,467.00)
HOPE Scholarships	(833,702.00)	(873,950.00)
Palmetto Fellows Scholarships	(1,215,741.00)	(1,322,191.00)
Need-Based Grants	(4,888,903.00)	(5,064,902.00)
National Guard Tuition Repayment Program	(78,116.00)	(81,813.00)
Technology - Repair and Related Maintenance	(389,413.00)	(389,413.00)
College Transition Scholarship	(143,403.00)	(125,000.00)
Winthrop University Total	\$ (14,487,800.00)	\$ (15,026,736.00)
University of South Carolina - Lancaster		
LIFE Scholarships	(1,620,000.00)	(1,700,000.00)
Lottery Tuition Assistance Program	(1,023,871.00)	(2,062,542.25)
Palmetto Fellows Scholarships	(84,200.00)	(78,100.00)
Need-Based Grants	(406,523.00)	(359,340.00)
National Guard Tuition Repayment Program	(26,125.00)	(17,875.00)
Technology - Repair and Related Maintenance	(131,927.00)	(131,927.00)
Nursing Initiative	-	(26,312.00)
University of South Carolina - Lancaster Total	\$ (3,292,646.00)	\$ (4,376,096.25)
University of South Carolina - Salkehatchie		
LIFE Scholarships	(465,000.00)	(352,500.00)
Palmetto Fellows Scholarships	(6,700.00)	(20,100.00)
Lottery Tuition Assistance Program	(294,688.00)	(500,200.45)
Need-Based Grants	(200,790.00)	(235,021.00)
Technology - Repair and Related Maintenance	(98,932.00)	(98,932.00)
University of South Carolina - Salkehatchie Total	\$ (1,066,110.00)	\$ (1,206,753.45)
University of South Carolina - Sumter		
LIFE Scholarships	(1,247,500.00)	(1,200,000.00)

Expenditure by Institution and Program	FY 2023-24	FY 2024-25
Palmetto Fellows Scholarship	(20,900.00)	(17,150.00)
Lottery Tuition Assistance Program	(975,398.50)	(510,913.00)
Need-Based Grants	(362,658.00)	(437,483.00)
National Guard Tuition Repayment Program	(22,687.50)	(32,312.50)
Technology - Repair and Related Maintenance	(116,052.00)	(116,052.00)
University of South Carolina - Sumter Total	\$ (2,745,196.00)	\$ (2,313,910.50)
University of South Carolina - Union		
LIFE Scholarships	(657,500.00)	(690,000.00)
Palmetto Fellows Scholarship	(6,700.00)	(20,900.00)
Lottery Tuition Assistance Program	(621,635.00)	(1,568,574.25)
Need-Based Grants	(206,968.00)	(213,709.00)
Technology - Repair and Related Maintenance	(109,659.00)	(109,659.00)
University of South Carolina - Union Total	\$ (1,602,462.00)	\$ (2,602,842.25)
Aiken Technical College		
LIFE Scholarships	(612,500.00)	(532,500.00)
HOPE Scholarships	-	(53,200.00)
Palmetto Fellows Scholarships	-	(3,350.00)
Need-Based Grants	(696,875.00)	(578,004.00)
National Guard Tuition Repayment Program	(17,064.00)	(8,938.00)
Technology - Repair and Related Maintenance	(103,536.10)	(105,560.00)
Nursing Initiative	(76,409.00)	(67,448.00)
Aiken Technical College Total	\$ (1,506,384.10)	\$ (1,349,000.00)
Central Carolina Technical College		
LIFE Scholarships	(782,500.00)	(462,500.00)
Palmetto Fellows Scholarships	-	(10,050.00)
Need-Based Grants	(489,540.00)	(858,152.00)
National Guard Tuition Repayment Program	(27,500.00)	(55,312.50)
Technology - Repair and Related Maintenance	(131,679.00)	(137,222.00)
Nursing Initiative	(99,222.00)	-
Central Carolina Technical College Total	\$ (1,530,441.00)	\$ (1,523,236.50)
Denmark Technical College		
LIFE Scholarships	(150,000.00)	(180,000.00)
Need-Based Grants	(192,320.00)	(72,071.16)
National Guard Tuition Repayment Program	-	(9,625.00)
Technology - Repair and Related Maintenance	(66,441.00)	(66,439.00)
Denmark Technical College Total	\$ (408,761.00)	\$ (328,135.16)
Florence-Darlington Technical College		
LIFE Scholarships	(1,586,948.00)	(1,566,804.00)
Need-Based Grants	(881,918.00)	(973,668.00)
Palmetto Fellows Scholarships	(29,200.00)	(3,350.00)
National Guard Tuition Repayment Program	(26,814.00)	(26,814.00)
Technology - Repair and Related Maintenance	(152,513.00)	(147,783.00)
Nursing Initiative	(326,026.00)	(273,400.00)
Florence-Darlington Technical College Total	\$ (3,003,419.00)	\$ (2,991,819.00)
Greenville Technical College		

Expenditure by Institution and Program	FY 2023-24	FY 2024-25
LIFE Scholarships	(5,268,577.04)	(6,599,673.03)
Need-Based Grants	(2,904,344.50)	(2,436,638.50)
Palmetto Fellows Scholarships	(149,721.00)	(164,650.00)
National Guard Tuition Repayment Program	(87,073.50)	(188,504.50)
Technology - Repair and Related Maintenance	(408,591.00)	(401,358.00)
Nursing Initiative	(179,967.00)	(190,458.00)
Greenville Technical College Total	\$ (8,998,274.04)	\$ (9,981,282.03)
Horry-Georgetown Technical College		
LIFE Scholarships	(3,759,952.00)	(3,992,390.00)
Palmetto Fellows Scholarships	(61,900.00)	(64,775.00)
Need-Based Grants	(2,169,462.00)	(1,959,676.00)
National Guard Tuition Repayment Program	(96,255.00)	(105,880.00)
Technology - Repair and Related Maintenance	(282,433.00)	(287,751.00)
Nursing Initiative	(202,116.00)	(170,157.00)
Horry-Georgetown Technical College Total	\$ (6,572,118.00)	\$ (6,580,629.00)
Midlands Technical College		
LIFE Scholarships	(4,707,300.00)	(4,891,600.00)
Palmetto Fellows Scholarships	(98,200.00)	(93,470.00)
Need-Based Grants	(2,518,048.00)	(2,340,837.00)
National Guard Tuition Repayment Program	(316,615.31)	(297,687.50)
Technology - Repair and Related Maintenance	(379,077.00)	(372,158.00)
Nursing Initiative	(195,162.00)	(191,527.00)
Midlands Technical College Total	\$ (8,214,402.31)	\$ (8,187,279.50)
Northeastern Technical College		
LIFE Scholarships	(35,000.00)	(117,500.00)
Need-Based Grants	(109,375.00)	(409,500.00)
National Guard Tuition Repayment Program	(11,688.00)	(4,125.00)
Technology - Repair and Related Maintenance	(80,677.00)	(78,379.00)
Northeastern Technical College Total	\$ (236,740.00)	\$ (609,504.00)
Orangeburg-Calhoun Technical College		
LIFE Scholarships	(733,475.00)	(597,050.00)
Need-Based Grants	(600,052.00)	(656,930.00)
National Guard Tuition Repayment Program	(13,750.50)	(15,297.50)
Technology - Repair and Related Maintenance	(115,573.00)	(112,553.00)
Nursing Initiative	(104,808.00)	(81,606.00)
Orangeburg-Calhoun Technical College Total	\$ (1,567,658.50)	\$ (1,463,436.50)
Piedmont Technical College		
LIFE Scholarships	(1,725,162.41)	(1,722,269.16)
Palmetto Fellows Scholarships	-	(23,850.00)
Need-Based Grants	(1,596,726.00)	(1,715,604.00)
National Guard Tuition Repayment Program	(43,312.50)	(27,156.00)
Technology - Repair and Related Maintenance	(217,110.00)	(216,241.00)
Nursing Initiative	(84,768.00)	(87,883.00)
Piedmont Technical College Total	\$ (3,667,078.91)	\$ (3,793,003.16)
Spartanburg Community College		

Expenditure by Institution and Program	FY 2023-24	FY 2024-25
LIFE Scholarships	(2,285,634.00)	(1,982,404.00)
Need-Based Grants	(1,844,950.00)	(1,058,807.08)
Palmetto Fellows Scholarships	(56,000.00)	(20,900.00)
National Guard Tuition Repayment Program	(76,312.50)	(44,687.50)
Technology - Repair and Related Maintenance	(220,281.00)	(236,255.00)
Nursing Initiative	(45,978.00)	(51,955.00)
Spartanburg Community College Total	\$ (4,529,155.50)	\$ (3,395,008.58)
Technical College of the Lowcountry		
LIFE Scholarships	(415,000.00)	(399,375.00)
Need-Based Grants	(414,055.00)	(398,566.00)
Palmetto Fellows Scholarship	(16,750.00)	(20,247.00)
National Guard Tuition Repayment Program	(18,562.00)	(7,563.00)
Technology - Repair and Related Maintenance	(100,046.00)	(99,690.00)
Nursing Initiative	(51,056.00)	(56,897.00)
Technical College of the Lowcountry Total	\$ (1,015,469.00)	\$ (982,338.00)
Tri-County Technical College		
LIFE Scholarships	(8,321,901.00)	(8,842,500.00)
Palmetto Fellows Scholarships	(82,400.00)	(77,050.00)
Need-Based Grants	(1,472,654.57)	(1,488,299.00)
National Guard Tuition Repayment Program	(77,000.00)	(41,937.50)
Technology - Repair and Related Maintenance	(261,946.00)	(257,712.00)
Nursing Initiative	(190,397.00)	(189,123.00)
Tri-County Technical College Total	\$ (10,406,298.57)	\$ (10,896,621.50)
Trident Technical College		
LIFE Scholarships	(1,713,319.71)	(5,330,972.80)
Palmetto Fellows Scholarships	(78,650.00)	(104,100.00)
Need-Based Grants	(1,973,532.00)	(2,247,342.00)
National Guard Tuition Repayment Program	(71,333.00)	(90,694.00)
Technology - Repair and Related Maintenance	(438,299.00)	(440,190.00)
Nursing Initiative	(378,918.00)	(383,588.00)
Trident Technical College Total	\$ (4,654,051.71)	\$ (8,596,886.80)
Williamsburg Technical College		
LIFE Scholarships	(51,460.00)	(84,530.00)
Need-Based Grants	(153,250.00)	(130,769.00)
National Guard Tuition Repayment Program	(6,875.00)	(1,375.00)
Technology - Repair and Related Maintenance	(66,441.00)	(66,439.00)
Williamsburg Technical College Total	\$ (278,026.00)	\$ (283,113.00)
York Technical College		
LIFE Scholarships	(1,990,650.00)	(2,631,565.50)
Palmetto Fellows Scholarships	(38,850.00)	(40,200.00)
Need-Based Grants	(973,513.00)	(1,007,043.50)
National Guard Tuition Repayment Program	(18,563.00)	(35,750.00)
Technology - Repair and Related Maintenance	(188,887.00)	(187,700.00)
Nursing Initiative	(65,900.00)	(57,565.00)
York Technical College Total	\$ (3,276,363.00)	\$ (3,959,824.00)

Expenditure by Institution and Program	FY 2023-24	FY 2024-25
Allen University		
LIFE Scholarships	(202,500.00)	(157,500.00)
HOPE Scholarships	(49,000.00)	-
National Guard Tuition Repayment Program	(8,250.00)	(8,250.00)
Higher Education Excellence Enhancement Program	(1,312,500.00)	(1,000,000.00)
Allen University Total	\$ (1,572,250.00)	\$ (1,165,750.00)
Anderson University		
LIFE Scholarships	(6,295,207.00)	(6,791,508.00)
HOPE Scholarships	(389,050.00)	(386,400.00)
Palmetto Fellows Scholarships	(3,011,781.00)	(3,027,473.00)
National Guard Tuition Repayment Program	(33,687.50)	(33,000.00)
Need-Based Grants	(2,000.00)	(2,000.00)
Anderson University Total	\$ (9,731,725.50)	\$ (10,240,381.00)
Benedict College		
LIFE Scholarships	(634,500.00)	(587,500.00)
HOPE Scholarships	(141,400.00)	(202,160.00)
National Guard Tuition Repayment Program	(10,313.00)	(16,500.00)
Higher Education Excellence Enhancement Program	(1,312,500.00)	(1,000,000.00)
Need-Based Grants	(4,000.00)	(5,000.00)
Benedict College Total	\$ (2,102,713.00)	\$ (1,811,160.00)
Bob Jones University		
LIFE Scholarships	(1,681,687.00)	(1,728,862.00)
HOPE Scholarships	(151,200.00)	(100,990.00)
Palmetto Fellows Scholarships	(912,002.00)	(909,110.00)
Need-Based Grants	(2,000.00)	-
National Guard Tuition Repayment Program	(3,437.50)	(5,500.00)
Bob Jones University Total	\$ (2,750,326.50)	\$ (2,744,462.00)
Charleston Southern University		
LIFE Scholarships	(3,855,000.00)	(4,042,500.00)
HOPE Scholarships	(448,000.00)	(481,600.00)
Palmetto Fellows Scholarships	(1,225,400.00)	(1,098,400.00)
National Guard Tuition Repayment Program	(25,313.00)	(70,125.00)
Need-Based Grants	-	(6,000.00)
Charleston Southern University Total	\$ (5,553,713.00)	\$ (5,698,625.00)
Claflin University		
LIFE Scholarships	(2,567,251.00)	(2,583,364.00)
HOPE Scholarships	(370,317.00)	(375,200.00)
Palmetto Fellows Scholarships	(39,200.00)	25,774.00
National Guard Tuition Repayment Program	(13,750.00)	(26,125.00)
Higher Education Excellence Enhancement Program	(1,312,500.00)	(989,662.92)
Need-Based Grants	(1,000.00)	-
Nursing Scholarships	(1,000,000.00)	-
Claflin University Total	\$ (5,304,018.00)	\$ (3,948,577.92)
Clinton College		
Need-Based Grants		

Expenditure by Institution and Program	FY 2023-24	FY 2024-25
Higher Education Excellence Enhancement Program	(1,312,500.00)	(1,000,000.00)
Clinton College Total	\$ (1,312,500.00)	\$ (1,000,000.00)
Coker College		
LIFE Scholarships	(824,375.00)	(817,500.00)
HOPE Scholarships	(109,200.00)	(140,700.00)
Palmetto Fellows Scholarships	(128,712.00)	(69,200.00)
National Guard Tuition Repayment Program	(13,750.00)	(11,000.00)
Jim Lemke Endowment	(150,000.00)	-
Coker College Total	\$ (1,226,037.00)	\$ (1,038,400.00)
Columbia College		
LIFE Scholarships	(775,000.00)	(817,750.00)
HOPE Scholarships	(177,800.00)	(138,600.00)
Palmetto Fellows Scholarships	(66,350.00)	(52,150.00)
National Guard Tuition Repayment Program	(30,125.50)	(23,375.00)
Higher Education Excellence Enhancement Program	(1,312,500.00)	(1,000,000.00)
Columbia College Total	\$ (2,361,775.50)	\$ (2,031,875.00)
Columbia International University		
LIFE Scholarships	(700,000.00)	(758,750.00)
HOPE Scholarships	(36,400.00)	(110,600.00)
Palmetto Fellows Scholarships	(72,200.00)	(182,800.00)
National Guard Tuition Repayment Program	(2,750.00)	-
Columbia International University Total	\$ (811,350.00)	\$ (1,052,150.00)
Converse College		
LIFE Scholarships	(1,400,000.00)	(1,448,750.00)
HOPE Scholarships	(186,200.00)	(142,800.00)
Palmetto Fellows Scholarships	(253,300.00)	(371,400.00)
National Guard Tuition Repayment Program	(4,125.00)	(2,750.00)
Higher Education Excellence Enhancement Program		(1,000,000.00)
Converse College Total	\$ (1,843,625.00)	\$ (2,965,700.00)
Erskine College		
LIFE Scholarships	(838,750.00)	(1,027,500.00)
HOPE Scholarships	(270,200.00)	(173,600.00)
Palmetto Fellows Scholarships	(146,700.00)	(114,300.00)
National Guard Tuition Repayment Program	(5,500.00)	-
Erskine College Total	\$ (1,261,150.00)	\$ (1,315,400.00)
Furman University		
LIFE Scholarships	(1,677,397.00)	(1,768,365.00)
HOPE Scholarships	(81,100.00)	(44,744.00)
Palmetto Fellows Scholarships	(1,914,016.00)	(2,010,974.00)
Furman University Total	\$ (3,672,513.00)	\$ (3,824,083.00)
Limestone College		
LIFE Scholarships	(819,750.00)	(879,703.00)
HOPE Scholarships	(243,950.00)	(255,245.00)
Palmetto Fellows Scholarships	(68,050.00)	(105,200.00)
College Transition Scholarship	-	(13,750.00)

Expenditure by Institution and Program	FY 2023-24	FY 2024-25
National Guard Tuition Repayment Program	(348,215.00)	(227,539.00)
Limestone College Total	\$ (1,479,965.00)	\$ (1,481,437.00)
Morris College		
LIFE Scholarships	(87,500.00)	(100,798.00)
HOPE Scholarships	(16,800.00)	(23,800.00)
National Guard Tuition Repayment Program	-	(4,125.00)
Higher Education Excellence Enhancement Program	(1,312,500.00)	(1,000,000.00)
Partnership with US Military	(450,000.00)	-
Morris College Total	\$ (1,866,800.00)	\$ (1,128,723.00)
Newberry College		
LIFE Scholarships	(1,795,000.00)	(1,996,250.00)
HOPE Scholarships	(490,350.00)	(376,600.00)
Palmetto Fellows Scholarships	(126,894.00)	(125,500.00)
National Guard Tuition Repayment Program	(8,250.00)	(22,000.00)
Dyslexia Program	-	(638,239.00)
Newberry College Total	\$ (2,420,494.00)	\$ (3,158,589.00)
North Greenville University		
LIFE Scholarships	(2,522,500.00)	(2,585,833.00)
HOPE Scholarships	(291,200.00)	(347,550.00)
Palmetto Fellows Scholarships	(803,050.00)	(821,900.00)
National Guard Tuition Repayment Program	(16,500.00)	(10,250.00)
North Greenville University Total	\$ (3,633,250.00)	\$ (3,765,533.00)
Presbyterian College		
LIFE Scholarships	(1,209,405.00)	(1,217,855.00)
HOPE Scholarships	(129,192.00)	(152,600.00)
National Guard Tuition Repayment Program	(41,250.00)	(24,882.00)
Need-Based Grants	(4,000.00)	(5,000.00)
Palmetto Fellows Scholarships	(597,800.00)	(539,800.00)
Presbyterian College Total	\$ (1,981,647.00)	\$ (1,940,137.00)
South University		
LIFE Scholarships	(15,000.00)	(5,001.00)
HOPE Scholarships	(2,800.00)	-
National Guard Tuition Repayment Program	(33,912.50)	(17,418.00)
South University Total	\$ (51,712.50)	\$ (22,419.00)
Southern Wesleyan University		
LIFE Scholarships	(917,184.00)	(880,833.00)
HOPE Scholarships	(110,600.00)	(102,200.00)
Palmetto Fellows Scholarships	(321,550.00)	(277,282.00)
Southern Wesleyan University Total	\$ (1,349,334.00)	\$ (1,260,315.00)
Spartanburg Methodist College		
LIFE Scholarships	(2,505,416.00)	(2,911,771.00)
Palmetto Fellows Scholarships	(25,683.00)	(46,350.00)
National Guard Tuition Repayment Program	(8,250.00)	(8,250.00)
Need-Based Grants	(5,000.00)	(2,000.00)
Lottery Tuition Assistance Program	(438,285.00)	(470,526.00)

Expenditure by Institution and Program	FY 2023-24	FY 2024-25
Spartanburg Methodist College Total	\$ (2,982,634.00)	\$ (3,438,897.00)
Voorhees College		
LIFE Scholarships	(62,500.00)	(72,500.00)
HOPE Scholarships	(11,200.00)	(36,400.00)
National Guard Tuition Repayment Program	(5,500.00)	(5,500.00)
Higher Education Excellence Enhancement Program	(1,312,500.00)	(1,000,000.00)
Rebranding Efforts	(100,000.00)	-
Voorhees College Total	\$ (1,491,700.00)	\$ (1,114,400.00)
Wofford College		
LIFE Scholarships	(3,094,258.00)	(3,084,363.00)
HOPE Scholarships	(100,800.00)	(130,200.00)
National Guard Tuition Repayment Program	(5,500.00)	-
Need-Based Grants	(2,000.00)	(2,000.00)
Palmetto Fellows Scholarships	(2,198,091.00)	(1,951,009.00)
Wofford College Total	\$ (5,400,649.00)	\$ (5,167,572.00)
American College of the Building Arts		
LIFE Scholarships	-	(72,500.00)
HOPE Scholarships	-	(5,000.00)
American College of Building Arts Total	\$ -	\$ (77,500.00)
Not Assigned		
Various Scholarship and Grant Programs	-	(3,592,246.12)
American College of Building Arts Total	\$ -	\$ (3,592,246.12)
Commission on Higher Education		
Lottery Administrative Program Support	(101,489.32)	-
National Guard Administrative	(135,641.96)	(289,792.60)
IT Security & Technology Upgrades	(14,779.29)	(5,318.46)
Commission on Higher Education Total	\$ (251,910.57)	\$ (295,111.06)
Partnership Among South Carolina Academic Libraries		
PASCAL Program	(1,919,007.03)	(1,316,839.77)
Partnership Among South Carolina Academic Libraries Total	\$ (1,919,007.03)	\$ (1,316,839.77)
South Carolina Institutes of Innovation and information		
SC III Proram	(450,365.53)	(588,732.00)
South Carolina Institutes of Innovation and information Total	\$ (450,365.53)	\$ (588,732.00)
State Board for Technical and Comprehensive Education		
Technology - Repair and Related Maintenance	(330,000.00)	(330,000.00)
State Board for Technical and Comprehensive Education Total	\$ (330,000.00)	\$ (330,000.00)
Higher Education Tuition Grants Commission		
Need-Based Grants	(14,765,740.00)	(14,874,360.00)
Higher Education Tuition Grants Commission Total	\$ (14,765,740.00)	\$ (14,874,360.00)
Grand Total	\$ (420,974,882.36)	\$ (429,527,622.87)

Allen University
Academic Year 2021-2022

Programs Reviewed

SC LIFE Scholarship, SC Hope Scholarship, SC National Guard College Assistance Program

Finding # 1: LIFE Scholarship

Based on a sample of four students (4) students

Condition: A student was awarded LIFE scholarship, but did not meet two of the three academic requirements for initial eligibility.

Criteria: 62-1200.10 (A-C) states, Students must 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: The student earned at least a 3.0 SC UGP GPA; however, the student did not rank in the top 30% of their graduating class nor did they have test scores required available.

Effect: The institution incorrectly disbursed \$5,000 of LIFE Scholarship during the student's freshman year when the student was only eligible for the HOPE Scholarship. The student did meet the continued eligibility requirements after the 2021-2022 award year and the LIFE Scholarship was disbursed in the subsequent year. The institution must refund the LIFE Scholarship Program immediately by returning \$5,000 to CHE due to an incorrect disbursement of LIFE funds during initial eligibility. The institution also should make the necessary and appropriate adjustment to award the student with the SC HOPE scholarship of \$2,800.

Recommendation: The institution must 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's Response:

Review Process:

- The financial aid team will:
 - implement a thorough review process before disbursing scholarships, including verification of all eligibility criteria.
 - establish checkpoints to ensure consistent application of eligibility criteria across all scholarship awards.

Disbursement Procedures:

- We will disburse scholarships only after confirming that the student meets all specified eligibility criteria.
- We will ensure clear communication with students regarding the types and amounts of scholarships awarded based on their eligibility.

Auditing and Monitoring:

- Financial Aid will conduct periodic audits of scholarship awards and disbursements to identify any discrepancies or instances of incorrect eligibility determination.
- Maintain documentation of audit findings and corrective actions taken.

By implementing and adhering to this policy, the institution aims to prevent instances of incorrect scholarship disbursements, such as the over-disbursement of the LIFE Scholarship, thereby ensuring compliance with regulatory requirements and maintaining accountability in financial aid administration.

Finding # 2: Other Procedures

Condition: The institution failed to return funds to CHE for unused HOPE scholarships in the amount of \$2,800 and did not invoice CHE for \$2,500 of LIFE scholarships to students during the 2021-2022 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 refunding and invoicing CHE for scholarships that were previously invoiced to CHE, but never disbursed and total scholarships disbursed, but not invoiced.

Effect: The institution is not in compliance with CHE's fund management requirements and must return the cancelled HOPE scholarship of \$2,800 immediately. Because the institution did not comply with the requirements of the regulations as stated in the criteria above, the institution will be unable to collect \$2,500 for the LIFE Scholarship Program.

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 CHE and information reported on CHEMIS agree.

Management's Response:

Reconciliation Process:

- The financial aid department will conduct a thorough reconciliation of state lottery program funds at the end of each award period.
- The financial aid department will verify that disbursements to students, refunds for unused funds, and invoices to CHE accurately reflect transactions recorded in CHEMIS (Commission on Higher Education Management Information System).

Handling Unused Funds:

- Promptly identify and return unused funds (e.g., from cancelled scholarships) to CHE as per program guidelines.
- Maintain records documenting the return of unused funds and ensure compliance with CHE reporting requirements.

Invoicing Procedures:

- Ensure timely and accurate invoicing of CHE for all disbursed LIFE scholarships.
- Verify that all disbursed scholarships are properly invoiced to CHE to facilitate accurate financial reporting and reimbursement.

Documentation and Record-Keeping:

- Maintain comprehensive documentation of all transactions related to HOPE and LIFE scholarships, including disbursements, refunds, and invoices.
- Retain records for audit purposes and provide transparency in financial reporting to CHE as required.

By implementing these policies and procedures, the institution aims to address the audit findings regarding the mishandling of HOPE and LIFE scholarships, ensuring proper reconciliation, compliance with regulatory requirements, and accurate financial reporting to CHE. This proactive approach will help prevent similar issues in the future and maintain transparency in financial aid administration.

Benedict College
Academic Year 2022-2023

Programs Reviewed

SC LIFE Scholarship, SC LIFE Enhancement Scholarship, SC Hope Scholarship, SC LIFE Scholarship Enhancement, SC HOPE Scholarship, SC National Guard College Assistance Program, and SC Need-based Grant - Foster Care

Finding #1:

SC LIFE Scholarship & Enhancement

Based on a sample of thirteen (13) students including one (1) enhancement

Condition: A student was awarded the SC LIFE Scholarship, but the student did not meet two of the three academic requirements for initial eligibility. The student was eligible for the SC HOPE Scholarship instead.

Criteria: 62-1200.10 (A-C) states, Students must 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 an oversight in the process of evaluating a student's initial LIFE Scholarship eligibility. The student earned at least a 3.0 SC UGP GPA; however, the student did not rank in the top 30% of their graduating class nor did they have test scores required available.

Effect: The student was incorrectly awarded and disbursed \$5,000 of SC LIFE Scholarship during the student's freshman year, when the student was only eligible for the HOPE Scholarship. The institution must refund the LIFE Scholarship program immediately by returning \$5,000 to CHE due to improperly awarding the LIFE Scholarship.

The institution must make all appropriate and necessary adjustments to award the HOPE Scholarship to the student in the 2022-2023 academic year. Because the institution did not catch this error while still in the 2022-2023 academic year, the institution must forfeit reimbursement of \$2,800 from the LIFE Scholarship Program.

Recommendation: The institution must 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: The College agrees with this finding. We acknowledge these funds must be returned to CHE by December 3, 2024. The College will strengthen the current procedures to determine initial eligibility for LIFE and HOPE Scholarship recipients. All final high school transcripts will be reviewed by two staff members before awarding LIFE or HOPE.

The College will replace the returned funds with institutional funds to prevent the student from having a balance on their student account.

Finding #2: SC LIFE Scholarship & Enhancement

Condition: A student was awarded the SC LIFE Scholarship Enhancement, but the student did not meet the enhancement eligibility requirements.

Criteria: 62-1200.10 (O)(4) states, to be eligible for a LIFE Scholarship Enhancement each academic year, the student must have successfully completed a total of at least fourteen credit hours of instruction in mathematics and life and physical science course, in any combination, by the end of the first year of enrollment in college.

Cause: There was an oversight in invoicing the student's award. LIFE Enhancement was duplicated and was added to one student in error on the invoice.

Effect: The student was incorrectly awarded and disbursed the LIFE Scholarship Enhancement for the fall 2022 term. The institution must refund the LIFE Scholarship Enhancement Program immediately by returning \$1,250 to CHE due to the incorrect disbursement.

Recommendation: The institution must evaluate all functional areas that impact how and when enhancement eligibility is determined and identify weaknesses in current policies and procedures to reduce the risk of incorrect awarding and disbursing.

Management Response: The College agrees with this finding. We acknowledge these funds must be returned to CHE by December 3, 2024. The College will strengthen the current procedures to determine eligibility for LIFE Enhancement Scholarship recipients. All college transcripts will be reviewed by two staff members before awarding LIFE Enhancement.

The College will replace the returned funds with institutional funds to prevent the student from having a balance on their student account.

Finding #3

SC HOPE Scholarship

Based on a sample of ten (10) students

Condition: A student was awarded HOPE Scholarship in their first year of enrollment but was eligible for LIFE Scholarship instead.

Criteria: 62-900.85 states the purpose of the SC HOPE Scholarship Program is to provide funding to first- time entering freshmen who do not qualify for the LIFE or Palmetto Fellows Scholarships.

Cause: The student's initial state scholarship eligibility was incorrectly determined by the institution. The institution did not use the student's final high school transcript and instead awarded the HOPE Scholarship based on a work-in-process transcript.

Effect: The student was incorrectly awarded and disbursed \$2,800 of SC HOPE Scholarship during the student's freshman year when the student was eligible for the LIFE Scholarship. The institution must refund the HOPE Scholarship program immediately by returning \$2,800 to CHE due to improperly awarding the HOPE Scholarship.

The institution must make all appropriate and necessary adjustments to award the LIFE Scholarship to the student in the 2022-2023 academic year. Because the institution did not catch

this error while still in the 2022-2023 academic year, the institution must forfeit reimbursement of \$5,000 from the LIFE Scholarship Program.

Recommendation: The institution must 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: The College agrees with this finding. We acknowledge these funds must be returned to CHE by December 3, 2024. The College will strengthen the current procedures to determine continued eligibility for LIFE and HOPE Scholarship recipients. All final high school transcripts will be reviewed by two staff members before awarding LIFE or HOPE.

The College will replace the returned funds with institutional funds to prevent the students from having a balance on their student account.

Central Carolina Technical College Academic Year 2021-2022

Programs Reviewed

Palmetto Fellows Scholarship, SC LIFE Scholarship, SC LIFE Enhancement Scholarship, SC National Guard College Assistance Program, SC Need-based Grant, Need-based Grant – Foster Care

Findings #1-4

SC LIFE Scholarship

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

Condition: During our review of the LIFE scholarships awarded during the 2021-2022 academic year, we found four instances where the high school transcript used to determine initial eligibility was not valid for scholarship awarding purposes or the high school transcript was not available.

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: The department in charge of verifying high school transcripts were not properly trained to ensure that all required items were present prior to accepting the transcripts as final.

Effect:

- **Student Sample #5** – A high school transcript was not available or provided to determine the student’s initial eligibility for LIFE Scholarship.
The student was awarded and disbursed in award year 2020- 2021.
- The institution is required to immediately reimburse \$5,000 to the SC LIFE Scholarship Program for improperly awarding funds at the time of initial eligibility.
- **Student Sample #6 & #16** – The high school transcript provided included the South Carolina Uniform Grading Policy GPA or “SC UGP” GPA, the graduation date, and the calculation date. However, the transcript did not have a valid signature from the principal or superintendent.
The institution is required to immediately reimburse \$10,000 to the SC LIFE Scholarship Program for improperly awarding funds at the time of initial eligibility.
- **Student sample #25** – The high school transcript used to award and disburse the SC LIFE Scholarship funds was not a final high school transcript. The institution used a work-in-process transcript which is not valid for scholarship awarding purposes. The institution is required to immediately reimburse \$5,000 to the SC LIFE Scholarship Program for improperly awarding funds at the time of initial eligibility.

Student	Initial Term of Eligibility	Amount Disbursed	Amount to Refund CHE
#5	2020-2021	\$ 5,000	\$ 5,000
#6	2020-2021	\$ 5,000	\$ 5,000
#16	2021-2022	\$ 5,000	\$ 5,000
#25	2021-2022	<u>\$ 5,000</u>	\$ 5,000
		\$ 20,000	\$ 20,000

Recommendation: The institution must 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: Some of the transcripts were evaluated as we were dealing with Covid. Operational processes were drastically changed during this time as staff members were both adjusting to remote work and changes from paper to digital documentation. Although the responsibility for transcript evaluation was housed in the admissions department at the time, financial aid failed to question procedures or deficiencies with transcripts due to the misconception that digital transcripts processed through platforms like Parchment were not exempt from CHE regulations.

CCTC plans to return the funds within the next 3 weeks as we work with the business office to accommodate the findings.

The procedures and responsibility for transcript documentation has since shifted to the registrar's office. Financial aid and the Registrar have changed procedures to ensure that ALL transcripts have signatures no matter how the transcript is received. (Paper and digital). In addition, the GPA calculation date is now part of a checklist tool that has been created for all LIFE recipients to ensure compliance prior to awarding.

Charleston Southern University
Academic Year 2022-2023

Programs Reviewed

Palmetto Fellows Scholarship, SC LIFE Scholarship, SC LIFE Enhancement Scholarship, SC Hope Scholarship, and SC National Guard College Assistance Program

Finding # 1-#2: SC LIFE Scholarship

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

Condition: An annual affidavit was not signed prior to the 2022-2023 SC LIFE Scholarship disbursement.

Criteria: 62-1200.60 (O)(7) states that the institution must retain annual paper or electronic documentation for each award to include at a minimum: Affidavit documenting that the student has never been convicted of any felonies and/or any second alcohol/drug related misdemeanor offenses within the past academic year as stated under the "Student Eligibility" Section.

Cause: Management failed to obtain the required affidavit prior to disbursing the 2022-2023 LIFE scholarship.

Effect: The institution disbursed LIFE scholarship for the fall 2022 academic term prior to obtaining a signed affidavit by the student. As a result, the institution is required to immediately reimburse \$2,500 to the SC LIFE Scholarship Program for improperly awarding funds.

Recommendation: The institution must evaluate current policies and procedures to reduce the risk of awarding and disbursing prior to obtaining all required documentation.

Management response: The disbursement of the LIFE Scholarship and all CHE funds is contingent upon the receipt of all required residency verification documents. If these documents are not received, the funds will not be reflected on the account. Unfortunately, in 2022-2023, a systematic error led to funds being disbursed before the residency form was marked as received. This issue has been corrected, and the setup has been thoroughly verified and tested to ensure it will not happen again.

Condition: A student was awarded HOPE Scholarship in their first year of enrollment but was eligible for LIFE Scholarship instead.

Criteria: 62-900.85 states the purpose of the SC HOPE Scholarship Program is to provide funding to first-time entering freshmen who do not qualify for the LIFE or Palmetto Fellows Scholarships.

Cause: The student's initial state scholarship eligibility was incorrectly determined by the institution.

Effect: The student was incorrectly awarded and disbursed \$2,800 of SC HOPE Scholarship during the student's freshman year when the student was eligible for the LIFE Scholarship. The institution must make all appropriate and necessary adjustments to the student's 2022-2023 award period. The institution must return to CHE \$2,800 due to the incorrect disbursement of the Hope Scholarship.

Recommendation: The institution must 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 have identified and addressed this issue by implementing a process where multiple parties review the final transcripts and system weaknesses. This comprehensive review of our current policies and procedures is aimed at reducing the risk of incorrect awarding and disbursement.

Our actions include:

- Additional training for staff
- Implementation of more rigorous checks and balances
- Enhancement of our system protocols to ensure accurate eligibility determination moving forward

These measures are designed to improve accuracy and compliance in our scholarship award processes, preventing similar issues in the future.

Claflin University
Academic Year 2022-2023

Programs Reviewed

Palmetto Fellows Scholarship, Palmetto Fellows Enhancement Scholarship, SC LIFE Scholarship, SC LIFE Enhancement Scholarship, SC Hope Scholarship, SC National Guard College Assistance Program, and SC Need-based Grant – Foster Care

Finding #1: 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 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: 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 that it was a work-in-progress transcript, and not the official final transcript.

Effect: The institution misawarded \$5,000 to the student before obtaining a valid high school transcript for scholarship awarding purposes. The institution subsequently obtained the final high school transcript for the student.

Recommendation: The institution must 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: Claflin University concurs with the finding and recommendation. The university has implemented two specific checkpoints in the transcript verification process to prevent future occurrences. The first checkpoint is a comprehensive review conducted on or before July 15th ensuring all transcripts are complete and final before the scholarship disbursement deadlines. The second checkpoint occurs just before the disbursement of funds, serving as a final verification to confirm compliance with all requirements. Additionally, Claflin will enhance staff training focused on the scholarship eligibility criteria, improve documentation practices for better tracking and auditing, and strengthen communication with students and high schools regarding transcript requirements.

Finding #2: SC LIFE Scholarship

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

Condition: We found five instances where the annual affidavit was not signed prior to the 2022-2023 SC LIFE Scholarship disbursement(s).

Criteria: 62-1200.60 (O)(7) states that the institution must retain annual paper or electronic documentation for each award to include at a minimum: Affidavit documenting that the student has never been convicted of any felonies and/or any second alcohol/drug related misdemeanor offenses within the past academic year as stated under the “Student Eligibility” Section.

Cause: Management failed to obtain the required affidavit prior to disbursing the 2022-2023 LIFE scholarship.

Effect: The institution disbursed LIFE scholarship for the 2022-2023 academic year prior to obtaining a signed affidavit by the student. As a result, the institution is required to immediately reimburse \$22,500 to the SC LIFE Scholarship Program for improperly awarding funds.

Student Sample #	Signed Affidavit	Disbursement Date(s)	Misawarded
#1	5/4/2023	11/10/2022 & 3/23/2023	\$ 5,000 (Fall 2022 and Spring 2023)
#7	1/13/2023	11/10/2022	\$ 3,750 (Fall 2022)

#12	4/23/2023	11/10/2022 & 3/23/2023	\$ 5,000 (Fall 2022 and Spring2023)
#22	4/31/2023	11/10/2022 & 3/23/2023	\$ 5,000 (Fall 2022 and Spring 2023)
#25	2/14/2023	11/10/2022	\$ 3,750 (Fall 2022)

Recommendation: The institution must evaluate current policies and procedures to reduce the risk of awarding and disbursing prior to obtaining all required documentation.

Management Response: Claflin University concurs with the finding and recommendation. We will develop an electronic form specifically designed to streamline the collection and verification of all required documentation, including the annual affidavit. This electronic form will be incorporated into the initial scholarship award package, ensuring that all requisite forms are listed and received before any scholarship funds are disbursed. Furthermore, we have instituted a mandatory review process to verify the completeness and accuracy of all forms prior to disbursement.

Finding #3:

SC 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 a student's continued eligibility in the program.

Criteria: 62-1200.15 (A) states, students must meet the following criteria to renew eligibility for the LIFE Scholarships:

1. Continue to meet all eligibility requirements as stated in the "Student Eligibility" Section;
2. Earn at least a 3.0 "LIFE GPA" by the end of the academic year; and
3. Meet the annual credit hour requirement (or its equivalent) by the end of the academic year based on initial college enrollment:
 - (a) earn a minimum of 30 (or the equivalent) credit hours if entering the second year; or
 - (b) earn a minimum of 60 (or the equivalent) credit hours if entering the third year; or
 - (c) earn a minimum of 90 (or the equivalent) credit hours if entering the fourth year; or
 - (d) earn a minimum of 120 (or its equivalent) credit hours if entering the fifth year of an approved five- year bachelor's degree program.

Cause: Oversight of personnel in the financial aid office regarding continued eligibility of the LIFE scholarship program.

Effect: The institution did not award and disburse the student \$5,000 of SC LIFE scholarship in its 2nd and 3rd year of enrollment despite being eligible and not exceeding the cost of attendance. The institution must make the necessary and appropriate adjustments to award the student with the SC LIFE Scholarship in the amount of \$10,000.

Recommendation: The institution must evaluate all functional areas that impact the determination of continued eligibility and identify weaknesses that increase the risk of incorrect awarding and disbursing.

Management Response: Claflin University concurs with the finding and recommendation. We will conduct comprehensive retraining for all financial aid office staff on eligibility criteria emphasizing the verification of each student's academic performance and credit hour accumulation. A specialized training session for student aid is scheduled for October to include detailed instructions on monitoring academic progress and credit hour requirements. Additionally, we are enhancing our monitoring and review processes to include regular audits and implementing a checklist system to ensure all eligibility criteria are met before any disbursement is approved.

Finding #4: SC LIFE Scholarship

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

Condition: We found two instances where a student was awarded LIFE scholarship, but the student did not meet two of the three academic requirements for initial eligibility.

Criteria: 62-1200.10 (A-C) states, Students must 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: The students earned at least a 3.0 SC UGP GPA; however, the students did not rank in the top 30% of their graduating class nor did they have test scores required available.

Effect: The institution incorrectly disbursed \$5,000 of LIFE Scholarship to each student when they were only eligible for the HOPE Scholarship during their freshman year.

1. One student did not meet the continued eligibility requirements after the 2022-2023 award year and the LIFE Scholarship was not disbursed in the subsequent year.
2. The other student continued to meet the eligibility requirements after the 2022-2023 award and was awarded appropriately.

The institution must refund the LIFE Scholarship Program immediately by returning \$10,000 to CHE due to the misawarding of LIFE Scholarship funds during initial eligibility. The institution also should make the necessary and appropriate adjustments to award each student with the SC HOPE Scholarship of \$2,800.

Recommendation: The institution must 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: Claflin University concurs with the finding and recommendation. The university's plan to adjust the affected students' awards to the SC HOPE Scholarship and implement a comprehensive evaluation of policies and procedures related to scholarship eligibility determination. Additionally, the proposed enhancements in training for financial aid staff and the establishment of regular assessments are steps that we will take to help prevent future errors to scholarship criteria.

Finding #5: HOPE Scholarship

Based on a sample of fourteen (14) students

Condition: We found two instances where the annual affidavit was not signed prior to the 2022-2023 HOPE Scholarship disbursement(s).

Criteria: 62-900.125 (C)(6) states that the institution must retain annual paper or electronic documentation for each award to include at a minimum: Affidavit documenting that the student has never been convicted of any felonies and/or any second alcohol/drug related misdemeanor offenses within the past academic year as stated under the “Student Eligibility” Section.

Cause: Management failed to obtain the required affidavit prior to disbursing the 2022-2023 Hope scholarship.

Effect: The institution disbursed HOPE scholarship for the 2022-2023 academic year prior to obtaining a signed affidavit by the student. As a result, the institution is required to immediately reimburse \$5,600 to the HOPE Scholarship Program for improperly awarding funds.

Student Sample #	Signed Affidavit	Disbursement Date(s)	Misawarded
#10	4/17/2024	11/10/2022 & 3/23/2023	\$ 2,800 (Fall 2022 and Spring 2023)
#13	4/20/2023	11/10/2022 & 3/23/2023	\$ 2,800 (Fall 2022 and Spring 2023)

Recommendation: The institution must evaluate current policies and procedures to reduce the risk of awarding and disbursing prior to obtaining all required documentation.

Management Response: Claflin University concurs with the finding and recommendation. The University will strengthen its verification processes to ensure all necessary documentation is obtained and verified before any scholarship disbursement is made.

Finding #6, 7, and 8 Other Procedures:

Condition: We found that the institution invoiced CHE for amounts that exceeded what was disbursed to students for the Palmetto Fellows, LIFE, and HOPE scholarships.

Criteria: 62-370 (B), 62-1200.70 (B), and 62-900.135 state (B), “...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 scholarship programs that were previously invoiced to CHE but not disbursed to students.

Effect: The institution must refund the Palmetto Fellows, LIFE, and HOPE scholarship programs for \$7,500, \$14,674, and \$12,600, respectively. The funds must be returned to CHE 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 CHE and information reported on CHEMIS agree.

Management Response: Claflin University concurs with the finding and recommendation. To address this issue, the university will immediately refund the excess funds to CHE and integrate a robust reconciliation process into its monthly close-out reports. This added step will help ensure that future reconciliations are completed accurately and in a timely manner.

Coker University
Academic Year 2021-2022

Programs Reviewed

Palmetto Fellows Scholarship, SC LIFE Scholarship, SC LIFE Enhancement Scholarship, SC Hope Scholarship, and SC National Guard College Assistance Program

Finding # 1: LIFE Scholarship

Based on a sample of twenty-one (21) students

Condition: During our review of LIFE scholarships awarded during the 2021-2022 academic year, we found one instance where the institution did not properly identify the student's initial term of SC HOPE Scholarship eligibility and SC LIFE Scholarship continued eligibility for the year directly proceeding.

Criteria:

62-900.95 (A)(3) states, to be eligible for a SC HOPE Scholarship, the student must earn a cumulative 3.0 grade point average (GPA) based on the South Carolina Uniform Grading Policy (UGP) upon high school graduation:

62-1200.15 (A) states, students must meet the following criteria to renew eligibility for the LIFE Scholarships:

1. Continue to meet all eligibility requirements as stated in the "Student Eligibility" Section;
2. Earn at least a 3.0 "LIFE GPA" by the end of the academic year; and
3. Meet the annual credit hour requirement (or its equivalent) by the end of the academic year based on initial college enrollment:
 - (a) earn a minimum of 30 (or the equivalent) credit hours if entering the second year; or
 - (b) earn a minimum of 60 (or the equivalent) credit hours if entering the third year; or
 - (c) earn a minimum of 90 (or the equivalent) credit hours if entering the fourth year; or
 - (d) earn a minimum of 120 (or its equivalent) credit hours if entering the fifth year of an approved five- year bachelor's degree program.

Cause: Human error when entering the student's high school GPA into the institution's system.

Effect: The institution inadvertently omitted a student's initial HOPE scholarship eligibility for award year 2018-2019. The student was also omitted from LIFE continued eligibility in award year 2019-2020. The institution must make the necessary and appropriate adjustments to award the student with the SC HOPE Scholarship and SC LIFE Scholarship in the amount of \$2,800 and \$5,000, respectively.

Recommendation: The institution must 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:

Corrective Actions: Process Review and Improvement: We are conducting a comprehensive review of our processes related to the determination of initial eligibility for the LIFE Scholarship. Specifically, we are:

- Enhancing Data Entry Procedures: We will reinforce procedures for the accurate entry of high school GPA and other key eligibility criteria into our system, ensuring that data input errors are minimized.
- System Alerts and Checks: We are working to improve our systems by implementing validation checks that flag discrepancies in scholarship eligibility criteria, allowing us to address potential issues before they affect students' awards.

Staff Training: We will provide additional training to our team, focusing on proper data entry and understanding the LIFE Scholarship eligibility criteria. This will help prevent errors in the initial determination of eligibility and ensure compliance with state requirements.

We will continue to strengthen our processes and appreciate your feedback in helping us improve our operations.

The institution will initiate payment to the student and ensure the SC HOPE Scholarship and SC LIFE Scholarship awards are adjusted to reflect the amounts of \$2,800 and \$5,000, respectively. Appropriate adjustments will be made to the student's account to finalize these awards by December 30, 2024.

Finding # 2: HOPE Scholarship

Based on a sample of seven (7) students

Condition: During our review of the HOPE scholarships awarded during the 2021-2022 academic year, we found one instance where the final 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: The transcript provided included the South Carolina Uniform Grading Policy GPA or “SC UGP” GPA, the graduation date, and the calculation date. However, the transcript did not have a valid signature from the principal or superintendent.

Effect: The institution awarded and disbursed \$2,800 to the student before obtaining a signed high school transcript. As a result, the institution is required to immediately reimburse \$2,800 to the HOPE Scholarship Program for improperly awarding funds.

Recommendation: The institution must 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’s Response:

Corrective Actions:

Process Improvement: We are reviewing and strengthening our process for collecting and verifying final high school transcripts to ensure compliance with program policies. Moving forward:

- We will implement a transcript validation checklist to ensure that every transcript includes all required elements, including the valid signature from the principal, superintendent, or designated representative for independent/private schools and home school students.
- Our staff will be trained to specifically verify that all signatures are present and valid before awarding state scholarships.
- Communication with High Schools: We will improve our communication with high schools and accountability groups to ensure that they are aware of the documentation requirements, particularly regarding signatures on transcripts.
- Staff Training: Our admission staff will receive additional training to reinforce the importance of carefully reviewing transcripts and ensuring that all elements, including signatures, are verified prior to awarding scholarships.
- Coker will submit repayment to CHE by December 30, 2024.

Finding # 3: Other Procedures

Condition: We found that the institution over-invoiced CHE for LIFE Scholarship funds in the amount of \$5,000 and did not invoice CHE for \$1,400 of HOPE Scholarships to students during the 2021-2022 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 refunding and invoicing CHE for scholarships that were previously invoiced to CHE, but never disbursed and total scholarships disbursed, but not invoiced.

Effect: The institution is not in compliance with CHE’s fund management requirements and must return the LIFE Scholarship funds of \$5,000 immediately. Because the institution did not comply with the requirements of the regulations as stated in the criteria above, the institution will be unable to collect \$1,400 for the HOPE Scholarship Program.

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 CHE and information reported on CHEMIS agree.

Management’s Response:

LIFE - This difference is due to an invoicing error made during a transitional period in departmental management. A ROF of \$5,000 is due to correct the error and the procedure instructions have been updated to ensure clarity for any future personnel transitions. Coker will submit repayment to CHE by December 30, 2024.

HOPE - This difference is due to an invoicing error made during a transitional period in departmental management. Procedure instructions have been updated to ensure clarity for any future personnel transitions.

College of Charleston
Academic Year 2022-2023

Programs Reviewed

SC Palmetto Fellows Scholarship, SC Palmetto Fellow Scholarship Enhancement, SC LIFE Scholarship, SC LIFE Enhancement Scholarship, SC Hope Scholarship, and SC National Guard College Assistance Program, SC Need-Based Grant, SC Need-Based Grant – Foster Care

Finding # 1: LIFE Scholarship

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

Condition: We found one instance where a student was awarded the SC LIFE Scholarship, but the student did not meet two of the three academic requirements for initial eligibility.

Criteria: 62-1200.10 (A-C) states, Students must 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 an oversight in the process of evaluating a student's initial LIFE Scholarship eligibility. The student earned at least a 3.0 SC UGP GPA; however, the student did not rank in the top 30% of their graduating class nor did they have test scores required available.

Effect: The institution incorrectly disbursed \$5,000 of SC LIFE Scholarship during the student's freshman year when the student was only eligible for the HOPE Scholarship. The institution must refund the LIFE Scholarship Program immediately by returning \$5,000 to CHE due to an incorrect disbursement of LIFE funds during initial eligibility. The institution also should make the necessary and appropriate adjustment to award the student with the SC HOPE scholarship of \$2,800. Because the institution did not comply with the requirements of the regulations as stated above, the institution will be unable to collect \$2,800 for the HOPE Scholarship program.

Recommendation: The institution must 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: It is acknowledged that this LIFE Scholarship was disbursed in error. Beginning with the 2023-2024 academic year, we refined an internal process that placed a hold on all student accounts that were potential state scholarship recipients without a final high school transcript on file as of August 1st. As the final high school transcripts were received, either the Assistant Director of Scholarships or the Associate Director for Scholarships reviews each student to ensure that scholarship eligibility is correct before disbursement occurs. In regard to this student, we will retract the LIFE Scholarship funds that were disbursed in error and replace it with the HOPE Scholarship. We will reimburse the SC CHE for the \$5,000 via the appropriate invoicing

process at the conclusion of this audit. I understand that we cannot seek reimbursement of the HOPE Scholarship funds.

Columbia College
Academic Year 2022-2023

Programs Reviewed

SC Palmetto Fellows Scholarship, SC LIFE Scholarship, SC LIFE Enhancement Scholarship, SC Hope Scholarship, SC National Guard College Assistance Program, and SC Need-Based Grant – Foster Care

Finding #1: SC LIFE Scholarship & Enhancement

Based on a sample of seventeen (17) LIFE Scholarship students and three (3) Enhancements.

Condition: During our review of LIFE scholarships and LIFE Scholarship Enhancements awarded during the 2022-2023 academic year, we found one instance where a student was awarded the SC LIFE Scholarship Enhancement, but the student was not in an eligible program that is approved and assigned a CIP code by the Commission on Higher Education.

Criteria: 62-1200.10 (O)(2) states, to be eligible for a LIFE Scholarship Enhancement each academic year, the student must be enrolled as a full-time, degree-seeking student in a declared major of science or mathematics in an eligible program that is approved and assigned a CIP code by the Commission on Higher Education at the time of disbursement of LIFE Scholarship Enhancement funds.

Eligible programs include degrees awarded in math and science fields, computer science or informational technology, engineering, science education, math education and healthcare and related disciplines including medicine and dentistry. The student must meet all requirements for satisfactory academic progress towards completion of the declared major as established by the policies of both the institution and the academic department in which the student is enrolled.

Cause: This was an oversight due to the amount of transition in the office during the 2022-2023 academic year.

Effect: The student was incorrectly awarded and disbursed the LIFE Scholarship Enhancement for a total of 6 terms. The institution must refund the LIFE Scholarship Enhancement Program immediately by returning \$7,500 to CHE due to the incorrect disbursement.

Recommendation: The institution must evaluate all functional areas that impact how and when enhancement 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 this finding. We acknowledge \$7,500 will need to be returned to CHE. The institution will return the funds to CHE by January 16, 2025. Counselors will complete a course evaluation at the time of awarding. Before funds are requested from CHE, each student will be validated by the Director of Financial Aid or designated person to validate eligibility, major, and enhancement awards.

Finding #2: SC LIFE Scholarship & Enhancement

Based on a sample of seventeen (17) LIFE Scholarship students and three (3) Enhancements.

Condition: During our review of LIFE scholarships and LIFE Scholarship Enhancements awarded during the 2022-2023 academic year, we found one instance where the institution did not properly identify the student's continued eligibility for LIFE Scholarship and LIFE Scholarship Enhancement.

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

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

62-1200.10 (P) states, “...During the student’s final term of attendance, not to exceed the eighth term of enrollment based on initial college enrollment, the institution may prorate the LIFE Scholarship and the LIFE Scholarship Enhancement award amount, for the number of credit hours attempted for the current term of attendance, which must be the term of graduation for the student. Proration will be based on 12 credit hours.

Cause: This was an oversight due to the amount of transition in the office during the 22-23 academic year.

Effect: The institution inadvertently omitted a student’s continued LIFE Scholarship and LIFE Scholarship Enhancement eligibility during the student’s final term of attendance. The student enrolled in 11 credit hours during the term of graduation (Spring 2023) and was eligible for the prorated scholarship in the amount of \$3,438.

The institution must make all appropriate and necessary adjustments to award the LIFE Scholarship and LIFE Scholarship Enhancement to the student for the spring 2023 term. Because the institution did not catch this error while still in the 2022-2023 academic year, the institution must forfeit reimbursement of \$3,438 from the LIFE Scholarship and LIFE Scholarship Enhancement Programs.

Recommendation: The institution must 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 this finding. The institution will make the necessary adjustments to award the student by January 16, 2025. Counselors will complete a course evaluation at the time of awarding. Credit will be issued to the student’s account. Before funds are requested from CHE, each student will be validated by the Director of Financial Aid or a designated person to validate eligibility, major, and proration for graduating seniors.

Finding #3: SC LIFE Scholarship

Based on a sample of seventeen (17) students

Condition: During our review of the LIFE 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: 62-1200.70 (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 in the process of obtaining a valid high school transcript for scholarship awarding purposes prior to disbursing LIFE Scholarship funds for the 2022-2023 academic year.

Effect: The high school transcript provided included the South Carolina Uniform Grading Policy GPA or “SC UGP” GPA, the graduation date, and the calculation date. However, the transcript did not have a valid signature from the principal or superintendent. The institution is required to immediately reimburse \$5,000 to the SC LIFE Scholarship Program for improperly awarding funds.

Recommendation: The institution must 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 this finding. We acknowledge \$5,000 will need to be returned to CHE. The institution will return the funds to CHE by January 16, 2025. Counselors will complete a course evaluation at the time of awarding to confirm receipt of the official final high school transcript. Before funds are requested from CHE, each student will be validated by the Director of Financial Aid or designated person to validate eligibility, major, enhancement awards, and receipt of the final official high school transcript.

Finding #4: SC LIFE Scholarship

Based on a sample of seventeen (17) students

Condition: During our review of LIFE scholarships awarded during the 2022-2023 academic year, we found one instance where the institution did not identify the student’s ineligibility for LIFE Scholarship at the end of the previous academic year (2021-2022). The student did not meet all the continued eligibility requirements.

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

- Continue to meet all eligibility requirements as stated in the “Student Eligibility” section;
- Earn a cumulative LIFE GPA of 3.0 or higher and

- Meet the annual credit hour requirements based on the initial enrollment date:
 - Entering second year - 30 non-remedial credit hours (or equivalent)
 - Entering third year - 60 credit hours (or equivalent)
 - Entering fourth year - 90 credit hours (or equivalent)

Cause: This was an oversight due to the amount of transition in the office during the 22-23 academic year.

Effect: At the end of the 2021-2022 academic year the student did not earn a minimum of 90 credit hours as required based on initial college enrollment.

The student was incorrectly awarded and disbursed \$5,000 of SC LIFE Scholarship. The institution must refund the LIFE Scholarship program immediately by returning \$5,000 to CHE due to improperly awarding the LIFE Scholarship.

Recommendation: The institution must 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 this finding. We acknowledge \$5,000 will need to be returned to CHE. The institution will return the funds to CHE by January 16, 2025. Counselors will complete a course evaluation at the time of awarding to confirm receipt of the official final high school transcript. Before funds are requested from CHE, each student will be validated by the Director of Financial Aid or designated person to validate eligibility, major, enhancement awards, and receipt of the final official high school transcript.

Finding #5: SC HOPE Scholarship

Based on a sample of seven (7) students

Condition: During our review of the HOPE Scholarships awarded during the 2022-2023 academic year, we found one instance where a student was awarded HOPE Scholarship in their first year of enrollment but was eligible for LIFE Scholarship instead.

Criteria: 62-900.85 states the purpose of the SC HOPE Scholarship Program is to provide funding to first- time entering freshmen who do not qualify for the LIFE or Palmetto Fellows Scholarships.

Cause: The student's initial state scholarship eligibility was incorrectly determined by the institution.

Effect: The student was incorrectly awarded and disbursed \$2,800 of SC HOPE Scholarship during the student's freshman year when the student was eligible for the LIFE Scholarship. The institution must refund the HOPE Scholarship program immediately by returning \$2,800 to CHE due to the improperly awarding the HOPE Scholarship.

The institution must make all appropriate and necessary adjustments to award the LIFE Scholarship to the student in the 2022-2023 academic year. Because the institution did not catch this error while still in the 2022-2023 academic year, the institution must forfeit reimbursement of \$5,000 from the LIFE Scholarship Program.

Recommendation: The institution must 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 this finding. We acknowledge \$2,800 will need to be returned to CHE. Credit will be issued to the student's account. The institution will return the funds to CHE and will make the necessary adjustments to award the student by January 16, 2025. Counselors will complete a course evaluation at the time of awarding. Before funds are requested from CHE, each student will be validated by the Director of Financial Aid or designated person to validate eligibility, major, and enhancement awards.

Finding #6: SC HOPE Scholarship

Based on a sample of seven (7) 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 made available.

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: The institution was unable to locate a final high school transcript due to the transition of staff in pertinent offices during the 2022-2023 academic year.

Effect: We could not verify the student's eligibility for the HOPE scholarship due to lack of documentation. The institution is required to immediately reimburse \$2,800 to the SC HOPE Scholarship Program for improperly awarding funds.

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

Management Response: We concur with this finding. We acknowledge \$2,800 will need to be returned to CHE. The institution will return the funds to CHE by January 16, 2025. Counselors will complete a course evaluation at the time of awarding to confirm receipt of the official final high school transcript. Before funds are requested from CHE, each student will be validated by the Director of Financial Aid or designated person to validate eligibility, major, enhancement awards, and receipt of the final official high school transcript.

Finding #7: SC HOPE Scholarship

Based on a sample of seven (7) students

Condition: During our review of the HOPE 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. The student enrolled in the spring 2022 term but did not receive the HOPE disbursement. The institution awarded this student with HOPE scholarship funds in 2022-2023. The student was not considered a freshman in the spring 2023 term.

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: Control Weakness- the institution did not capture the correct initial HOPE scholarship eligibility.

Effect: The student was incorrectly awarded and disbursed \$1,400 of SC HOPE Scholarship during the student's third term of college enrollment and when the student was no longer on their freshman year.

The institution must refund the HOPE Scholarship program immediately by returning \$1,400 to CHE due to improperly awarding the HOPE Scholarship in the spring 2023 term.

The institution must make all appropriate and necessary adjustments to award the HOPE Scholarship to the student for the spring 2022 term. Because the institution did not catch this error while still in the 2022- 2023 academic year, the institution must forfeit reimbursement of \$1,400 from the HOPE Scholarship Program.

Recommendation: The institution must 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 this finding. We acknowledge \$1,400 will need to be returned to CHE. The institution will return the funds to CHE and will make the necessary adjustments to award the student by January 16, 2025. Counselors will complete a course evaluation at the time of awarding to confirm student's initial term of eligibility. Before funds are requested from CHE, each student will be validated by the Director of Financial Aid or designated person to validate initial term, eligibility, major, enhancement awards, and receipt of the final official high school transcript.

Finding #8 and #9: Other Procedures

Condition: We found that the institution over-invoiced CHE for SC LIFE Scholarships and SC HOPE Scholarships to students in the amount of \$1,250 and \$6,350, respectively, during the 2022-2023 academic year.

Criteria: 62-1200.70 (B) and 62-900.135 (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 CHE for scholarships that were previously invoiced to CHE but never disbursed.

Effect: The institution is not in compliance with CHE's fund management requirements and must return the LIFE and HOPE Scholarship funds of \$1,250 and \$6,350 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 CHE and information reported on CHEMIS agree.

Management Response: We concur with this finding. We acknowledge \$1,250 and \$6,350 will need to be returned to CHE. The institution will return the funds to CHE by January 16, 2025. Before funds are requested from CHE, each student will be validated by the Director of Financial Aid or designated person to validate initial term, eligibility, major, enhancement awards, and receipt of the final official high school transcript. Once funds are received, the Director of Financial Aid or designated person will reconcile funds disbursed and invoiced to determine if any funds should be returned.

Columbia Internation University
Academic Year 2022-2023

Programs Reviewed

SC Palmetto Fellows Scholarship, SC LIFE Scholarship, SC Hope Scholarship, and SC National Guard College Assistance Program

Finding #1: SC HOPE Scholarship

Based on a sample of six (6) students

Condition: We found one instance where a student was awarded HOPE Scholarship in their first year of enrollment but was eligible for LIFE Scholarship instead.

Criteria: 62-900.85 states the purpose of the SC HOPE Scholarship Program is to provide funding to first- time entering freshmen who do not qualify for the LIFE or Palmetto Fellows Scholarships.

Cause: The student's initial state scholarship eligibility was incorrectly determined by the institution. The institution did not use the student's final high school transcript prior to awarding the HOPE Scholarship.

Effect: The student was incorrectly awarded and disbursed \$2,800 of SC HOPE Scholarship during the student's freshman year when the student was eligible for the LIFE Scholarship. The institution must refund the HOPE Scholarship program immediately by returning \$2,800 to CHE due to the improperly awarding the HOPE Scholarship.

The institution must make all appropriate and necessary adjustments to award the LIFE Scholarship to the student in the 2022-2023 academic year. Because the institution did not catch this error while still in the 2022-2023 academic year, the institution must forfeit reimbursement of \$5,000 from the LIFE Scholarship Program.

Recommendation: The institution must 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 agree with the finding of the student that was incorrectly awarded the \$2,800 SC HOPE scholarship during the student's freshman year 2022-2023 when he was eligible for the LIFE Scholarship. CIU will return the HOPE Scholarship funds in the amount of \$2,800 to SCCHE by Tuesday November 26, 2024.

Adjustments have already been made to the student account. We have removed the \$2,800 Hope Scholarship funds and have awarded CIU funds in the amount of \$5,000 to cover the LIFE Scholarship funds the student was eligible for.

The awarding error was the result of human error. CIU does initially award state scholarship monies based on the initial, official, high school transcript received. Those awards are reviewed and adjusted, if necessary, once the final, official high school transcripts are received following the high school graduation. This student's early transcript showed the student did not meet the rank requirement for the LIFE Scholarship. The final, official, high school transcript showed the rank requirement was met. It appears the former employee who reviewed the final transcripts missed this updated rank. CIU will continue to review the final, official, high school transcripts once received to be sure the students are awarded correctly.

Converse University
Academic Year 2022-2023

Programs Reviewed

SC Palmetto Fellows Scholarship, SC Palmetto Fellows Scholarship Enhancement, SC LIFE Scholarship, SC LIFE Scholarship Enhancement. SC Hope Scholarship, and SC National Guard College Assistance Program

Finding # 1: SC HOPE Scholarship

Based on a sample of six (6) students

Condition: We found one instance where a student was awarded HOPE Scholarship in their first year of enrollment but appeared to be eligible for LIFE Scholarship instead.

Criteria: 62-900.85 states the purpose of the SC HOPE Scholarship Program is to provide funding to first- time entering freshmen who do not qualify for the LIFE or Palmetto Fellows Scholarships.

Cause: The student's initial eligibility was incorrectly determined by the institution.

Effect: The student was incorrectly awarded and disbursed \$2,800 of SC HOPE Scholarship during the student's freshman year when the student was eligible for the LIFE Scholarship. The institution must make all appropriate and necessary adjustments to the student's 2022-2023 award period. The institution must return to CHE \$2,800 due to the incorrect disbursement of the Hope Scholarship.

Recommendation: The institution must 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: To avoid similar mistakes in the future, Converse has updated its State Scholarship Review Policy to require a secondary review of all incoming students. The Associate Director or Associate Vice President for Student Financial Services will conduct the secondary review to ensure accuracy.

Erskine College
Academic Year 2022-2023

Programs Reviewed

SC Palmetto Fellows Scholarship, SC Palmetto Fellows Scholarship Enhancement, SC LIFE Scholarship, SC LIFE Scholarship Enhancement, SC Hope Scholarship, and SC National Guard College Assistance Program

Finding # 1: SC HOPE Scholarship

Based on a sample of seven (7) students

Condition: We found one instance where the annual affidavit was not signed prior to the fall 2022 HOPE Scholarship disbursement.

Criteria: 62-900.125 (C)(6) states that the institution must retain annual paper or electronic documentation for each award to include at a minimum: Affidavit documenting that the student has never been convicted of any felonies and/or any second alcohol/drug related misdemeanor offenses within the past academic year as stated under the "Student Eligibility" Section.

Cause: Management oversight in obtaining all required documentation prior to disbursing the HOPE scholarship.

Effect: The institution disbursed HOPE scholarship for the fall 2022 term prior to obtaining a signed affidavit by the student. As a result, the institution is required to immediately reimburse \$1,400 to the HOPE Scholarship Program for improperly awarding funds.

Recommendation: The institution must evaluate current policies and procedures to reduce the risk of awarding and disbursing prior to obtaining all required documentation.

Management's Response: We agree with the finding for the HOPE Scholarship. The funds will be returned immediately with check being mailed back to the Commission on Higher Education the week of November 29, 2024. Since 2022, the Financial Aid Office has policies and procedures in place to ensure that State Affidavits are provided prior to disbursement of funds. Our systems have been updated to automate for SC students to complete the affidavit and to allow electronic signatures for students.

Medical University of South Carolina
Academic Year 2022-2023

Programs Reviewed

SC Palmetto Fellows Scholarship, SC Palmetto Fellows Scholarship Enhancement, SC LIFE Scholarship, SC LIFE Scholarship Enhancement, SC National Guard College Assistance Program, and SC Need-Based Grant

Finding #1: LIFE Scholarship

Based on a sample of five students (5) students

Condition: We found one instance where a student was awarded LIFE Scholarship and LIFE Scholarship Enhancement, but the student did not meet the academic requirements of initial eligibility for transfer students.

Criteria: 62-1200.30 (C) states, for determining initial eligibility for transfer students for the first-time at an eligible public or independent institution in South Carolina, students must meet the following requirements at the end of the previous academic year:

- Earn a cumulative LIFE GPA of 3.0 or higher and
- Meet the annual credit hour requirements based on the initial enrollment date:
 - Second year transfer - 30 non-remedial credit hours (or equivalent)
 - Third year transfer – 60 credit hours (or equivalent)
 - Fourth year transfer – 90 credit hours (or equivalent)

Cause: There was an oversight in the process of evaluating a student's LIFE Scholarship and LIFE Scholarship Enhancement eligibility at the time of transfer.

Effect: The institution incorrectly disbursed \$2,500 of LIFE Scholarship and \$1,250 of LIFE Scholarship Enhancement in the fall 2022 term. The student met the 3.0 LIFE GPA but did not meet the initial eligibility requirements for a fourth year transferring student. The institution must refund the LIFE Scholarship Program immediately by returning \$3,750 to CHE due to the misawarding of LIFE Scholarship funds.

Recommendation: The institution must 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's Response: As an immediate corrective action, the funds associated with the student have been reversed from the student's account, resulting in the return of \$3,750.00 to the SCCHE LIFE Scholarship Program. The finding prompted the Office of Student Financial Aid to conduct a comprehensive review of current processes and further strengthen our verification measures by implementing the following protocol. Financial aid counselors will review admissions applications alongside pre-MUSC transcripts (1) to ensure accurate verification of initial college enrollment dates and (2) to confirm that all math and science requirements for the Enhancement program are satisfied. The SC LIFE Scholarship affidavit completed by students will be revised to include a comprehensive list of all high schools and colleges previously attended, along with corresponding dates of attendance. MUSC is in the process of implementing new Admissions and Student Information Systems, specifically Anthology Reach and Anthology Student, which are set to go live in early 2025. We will utilize these new systems to establish updated business processes that ensure compliance with the eligibility requirements for the LIFE Scholarship and the LIFE Scholarship Enhancement.

Newberry College
Academic Year 2021-2022

Programs Reviewed

SC Palmetto Fellows Scholarship, SC LIFE Scholarship, SC LIFE Scholarship Enhancement, SC HOPE Scholarship, and SC National Guard College Assistance Program

Findings #1-3: SC LIFE Scholarship

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

Condition: During our review of the LIFE scholarships awarded during the 2021-2022 academic year, we found three instances 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 in the process of obtaining a valid high school transcript for scholarship awarding purposes prior to disbursing LIFE Scholarship funds for the 2021-2022 academic year.

Effect:

- **Student Sample #8** – The high school transcript provided included the South Carolina Uniform Grading Policy GPA or "SC UGP" GPA, the graduation date, and the calculation date. However, the transcript did not have a valid signature from the principal or superintendent. The institution subsequently obtained a signed transcript, and funds do not have to be returned to CHE.
- **Student sample #11** – The high school transcript used to award and disburse LIFE Scholarship funds was not a final high school transcript. The institution used a work-in-process transcript which is not valid for scholarship awarding purposes. The institution is required to immediately reimburse \$5,000 to the SC LIFE Scholarship Program for improperly awarding funds.
- **Student Sample #13** - The high school transcript provided included the South Carolina Uniform Grading Policy GPA or "SC UGP" GPA, the graduation date, and the calculation date. However, the transcript did not have a valid signature from the principal or superintendent. The institution is required to immediately reimburse \$5,000 to the SC LIFE Scholarship Program for improperly awarding funds.

Recommendation: The institution must 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: The institution agrees with the finding and that the funds will need to be returned to CHE on 11/26/2024 via check. The college has implemented quality control checks in our financial aid software system to ensure there is a secondary check of final high school transcripts to determine final eligibility for state scholarships.

Finding #4

SC LIFE Scholarship

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

Condition: We found one instance where the institution was not able to provide evidence of a signed affidavit prior to the 2021-2022 SC LIFE Scholarship disbursement(s).

Criteria: 62-1200.60 (O)(7) states that the institution must retain annual paper or electronic documentation for each award to include at a minimum: Affidavit documenting that the student has never been convicted of any felonies and/or any second alcohol/drug related misdemeanor offenses within the past academic year as stated under the "Student Eligibility" Section.

Cause: Management failed to obtain the required affidavit prior to disbursing the 2021-2022 SC LIFE scholarship.

Effect: The institution disbursed LIFE scholarship for the 2021-2022 academic year prior to obtaining a signed affidavit by the student. As a result, the institution is required to immediately reimburse \$7,500 (including enhancement funds) to the SC LIFE Scholarship Program for improperly awarding funds.

Recommendation: The institution must evaluate current policies and procedures to reduce the risk of awarding and disbursing prior to obtaining all required documentation.

Management Response: The institution agrees with the finding and that the funds will need to be returned to CHE on 11/26 via check. The college has implemented quality control checks in our financial aid software system to ensure there is a secondary check of receipt of a signed affidavit before state scholarships are applied to student accounts.

Findings #5-6:

LIFE Scholarship

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

Condition: During our review of LIFE scholarships awarded during the 2021-2022 academic year, we found two instances where the institution did not properly identify the student's initial term of eligibility and continued eligibility at the time of transfer.

Criteria: 62-1200.10 (A-C) states, Students must 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.

62-1200.30 (C) states, for determining initial eligibility for transfer students for the first-time at an eligible public or independent institution in South Carolina, students must meet the following requirements at the end of the previous academic year:

- Earn a cumulative LIFE GPA of 3.0 or higher and
- Meet the annual credit hour requirements based on the initial enrollment date:
 - Second year transfer - 30 non-remedial credit hours (or equivalent)
 - Third year transfer – 60 credit hours (or equivalent)
 - Fourth year transfer – 90 credit hours (or equivalent)

Cause: There was an oversight in the process of evaluating the student's LIFE Scholarship eligibility at the time of transfer into the institution.

Effect: The institution inadvertently omitted a student's initial LIFE Scholarship eligibility for the Spring 2021 term when the student transferred as a first-time freshman. The second student was also inadvertently omitted from LIFE continued eligibility in award year 2020-2021 when the student transferred into the institution as a rising junior. The institution must make the necessary and appropriate adjustments to award the students with the SC LIFE Scholarship in the amount of \$2,500 and \$5,000, respectively.

Recommendation: The institution must 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: The institution agrees with the finding. The institution will award and fund by 11/26/24. The college has implemented quality control checks in our financial aid software system to ensure there is a secondary check of final high school transcripts and college transcripts to determine final eligibility for state scholarships and remaining eligibility.

Findings #7-8: HOPE Scholarship

Based on a sample of thirteen (13) students

Condition: We found two instances where the annual affidavit was not signed prior to the 2021-2022 HOPE Scholarship disbursement(s).

Criteria: 62-900.125 (C)(6) states that the institution must retain annual paper or electronic documentation for each award to include at a minimum: Affidavit documenting that the student has never been convicted of any felonies and/or any second alcohol/drug related misdemeanor offenses within the past academic year as stated under the "Student Eligibility" Section.

Cause: Management oversight in obtaining all required documentation prior to disbursing the HOPE scholarships.

Effect: The institution disbursed HOPE scholarship for the 2021-2022 academic year prior to obtaining a signed affidavit by the students. As a result, the institution is required to immediately reimburse \$4,200 to the HOPE Scholarship Program for improperly awarding funds. One student had fall and spring disbursements totaling \$2,800 and the second student had only a spring disbursement of \$1,400.

Recommendation: The institution must evaluate current policies and procedures to reduce the risk of awarding and disbursing prior to obtaining all required documentation.

Management's Response: The institution agrees with the finding and that the funds will need to be returned to CHE on 11/26/24 via check. The college has implemented quality control checks in our financial aid software system to ensure there is a secondary check of receipt of a signed affidavit before state scholarships are applied to student accounts.

Findings #9: HOPE Scholarship

Based on a sample of thirteen (13) students

Condition: We found one instance where a student was awarded HOPE Scholarship in their first year of enrollment but did not meet the minimum GPA requirement.

Criteria: 62-900.95 (A)(3) states that to be eligible for a SC HOPE Scholarship, the student must earn a cumulative 3.0 grade point average (GPA) based on the South Carolina Uniform Grading Policy (UGP) upon high school graduation.

Cause: The student's initial state scholarship eligibility was incorrectly determined by the institution.

Effect: The student was incorrectly awarded and disbursed \$2,800 of SC HOPE Scholarship during the student's freshman year when the student was not eligible. As a result, the institution is required to immediately reimburse \$2,800 to the HOPE Scholarship Program for improperly awarding funds.

Recommendation: The institution must 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's Response: The institution agrees with the finding and that the funds will need to be returned to CHE on 11/26/24 via check. The college has implemented quality control checks in our financial aid software system to ensure there is a secondary check of final high school transcripts to determine final eligibility for state scholarships.¹³

Findings #10-11: Other Procedures

Condition: We found that the institution over-invoiced CHE in the amounts of \$2,500 and \$2,800 for LIFE Scholarship funds and HOPE Scholarship funds during the 2021-2022 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 refunding and invoicing CHE for scholarships that were previously invoiced to CHE but never disbursed.

Effect: The institution is not in compliance with CHE's fund management requirements and must return the LIFE and HOPE Scholarship funds of \$2,500 and \$2,800 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 CHE and information reported on CHEMIS agree.

Management's Response: The institution agrees with the finding and that the funds will need to be returned to CHE on 11/26/24 via check. The college will reconcile state scholarship payments at the end of each semester to ensure the amount disbursed to student accounts reconciles with what the college has invoiced CHE.

Orangeburg-Calhoun Technical College Academic Year 2022-2023

Programs Reviewed

SC LIFE Scholarship, SC National Guard College Assistance Program, and SC Need-Based Grant

Finding #1-2:LIFE Scholarship

Based on a sample of fourteen (14) students

Condition: During our review of the LIFE scholarships awarded during the 2022-2023 academic year, we found two instances where the final 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: For both students, 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, one transcript exceeded the calculated date of June 15th, and the other transcript did not indicate a calculation date.

Student No. 1 – Calculation date: June 16, 2022

Student No. 2 – Graduation date: May 23, 2022

Calculation date: None noted

Effect: The institution misawarded \$5,000 to each student before obtaining a valid high school transcript for scholarship awarding purposes. The institution subsequently obtained updated valid transcripts for both students.

Recommendation: The institution must 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: To ensure that transcripts are thoroughly reviewed prior to making an award, we have updated our processes for reviewing of transcripts to include the Scholarship Coordinator's review and an additional staff's review. Since our process for reviewing transcripts is a manual process, we felt that the additional check would ensure that we are receiving transcripts

with a calculated date between the date of high school graduation and with a date no later than June 15th.

Piedmont Technical College
Academic Year 2022-2023

Programs Reviewed

SC Palmetto Fellows Scholarship, SC LIFE Scholarship, SC National Guard College Assistance Program, and SC Need-Based Grant

Finding #1: SC Palmetto Fellows Scholarship Other Procedures

Based on a sample of one (1) student

Condition: We found that the institution did not invoice CHE for \$10,450 of Palmetto Fellows Scholarships to students during the 2022-2023 academic year.

Criteria: 62-370 (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 invoicing CHE for scholarships that were disbursed but not invoiced.

Effect: The institution is not in compliance with CHE's fund management requirements. Because the institution did not comply with the requirements of the regulations as stated in the criteria above, the institution will be unable to collect \$10,450 for the Palmetto Fellows Scholarship Program.

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 CHE and information reported on CHEMIS agree.

Management's Response: We acknowledge the oversight in the invoicing process during the 2022-2023 academic year for the Palmetto Fellows Scholarships and take this matter seriously. To address the identified issue and ensure compliance with CHE's fund management requirements, Piedmont Technical College has since taken the following actions:

- The Piedmont Technical College Office of Financial Aid has a system in place for the awarding of lottery funds, including Lottery Tuition Assistance, SC Needs Based Grant, SC LIFE Scholarship, SC Palmetto Fellows Scholarship, SC WINS, SC Workforce for the Future, and SC National Guard using rules and regulations issued by the Commission on Higher Education and the SC Technical College System. 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 and uploads to CHEMIS.
- Following guidelines put forth by CHE and The South Carolina Technical College System, Piedmont Technical College utilizes the Enterprise Decision Support System (EDSS) to submit disbursement requests of all allowable scholarships to include Palmetto Fellows. The designated Information Technology officer responsible for uploading the data to the EDSS portal has been trained on all appropriate guidelines, policies, procedures, and

reconciliation methods. Once all reviews are completed, the data is then uploaded to the EDSS portal for Piedmont Technical College and shared with Piedmont Technical College's Finance Office to notify them of the incoming funds.

We appreciate the auditor's thorough review and identification of the oversight of the invoicing for the Palmetto Fellows Scholarships. By taking these steps, we aim to prevent any future discrepancies and ensure compliance with We requirements. We appreciate the recommendation and are committed to improving our processes to better serve our students and meet our obligations.

South Carolina State University
Academic Year 2022-2023

Programs Reviewed

SC Palmetto Fellows Scholarship, SC LIFE Scholarship, SC HOPE Scholarship, SC National Guard College Assistance Program, and SC Need-Based Grant

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: The institution must 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.

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: The institution must 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:

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

- 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.

Recommendation: The institution must 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: ~~Criteria:~~ 62-900.100 states,

- 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.
- 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.
- 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.

Recommendation: The institution must 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.

Recommendation: The institution must 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: The institution must 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 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 CHE for scholarships that were previously invoiced to CHE but never disbursed.

Effect: The institution is not in compliance with 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 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.

The Citadel Academic Year 2022-2023

Programs Reviewed

SC Palmetto Fellows Scholarship, SC Palmetto Fellows Scholarship Enhancement, SC LIFE Scholarship, SC LIFE Scholarship Enhancement, SC HOPE Scholarship, SC National Guard College Assistance Program, and SC Need-Based Grant

Finding #1-#2: South Carolina Need-Based Grant Other Procedures

Condition: We found that the institution did not invoice CHE for \$6,146.50 of SC LIFE Scholarships to students and over-invoiced CHE for \$2,750.50 of SC Need-based Grant (NBG) Scholarship during the 2022-2023 academic year.

Criteria: 62-1200.70 (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 invoicing CHE for scholarships that were disbursed but not invoiced and refunding CHE for scholarships that were previously invoiced to CHE but never disbursed.

Effect: The institution is not in compliance with CHE's fund management requirements. Because the institution did not comply with the requirements of the regulations as stated in the criteria above, the institution will be unable to collect \$6,146.50 for the SC LIFE Program and must return the SC NBG Scholarship funds of \$2,750.50 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 CHE and information reported on CHEMIS agree.

Management Response: The institution agrees with the findings and will be issuing a check to the SC Commission on Higher Education by December 20, 2024.

Identified Issues

- **SCNBG Discrepancies:** The invoices contained errors due to inconsistent timing and varying methods used across the Offices of Institutional Research (I.R.), Financial Services, and Financial Aid when generating and sharing reports.

- **LIFE Discrepancies:** Slight variances arose from reports being generated at different times by the respective offices.

Corrective Measures: To eliminate such discrepancies moving forward, we have implemented the following steps:

- **Standardized Reporting:** All offices will adhere to uniform reporting templates and procedures, ensuring consistency across data submissions.
- **Enhanced Communication:** A formal process has been established for inter-office collaboration, including regular reviews and data reconciliation before submission.
- **Updated Procedures:** State award processing will be frozen on a designated date prior to invoice finalization to prevent timing-related variances.
- **Process Improvement:** Additional oversight measures have been introduced to ensure the accuracy and alignment of invoice data with reported figures.

These measures are designed to prevent discrepancies in future reporting cycles and to promote consistent, accurate communication between our offices.

Voorhees College
Academic Year 2021-2022

Programs Reviewed

SC LIFE Scholarship and SC HOPE Scholarship

Finding #1: SC HOPE Scholarship

Based on a sample of two (2) students

Condition: During our review of the HOPE Scholarships awarded during the 2021-2022 academic year, we found one instance where the high school transcript used to determine initial eligibility was not made available and documentation for proof of citizenship was not provided.

Criteria: 62-900.85 states, all eligible institutions that participate in in the program must verify the lawful presence of any student who receives a SC HOPE Scholarship prior to awarding the Scholarship to the student.

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: The institution was unable to locate a final high school transcript due to the transition of staff in pertinent offices.

Effect: We could not verify the student's eligibility for the HOPE scholarship due to lack of documentation. The institution is required to immediately reimburse \$1,400 to the SC HOPE Scholarship Program for improperly awarding funds.

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

Management Response: The student eligibility was determined at the time of the award; however, at the time of the audit the required documentation was not submitted. Therefore, the institution is in agreement with the finding. The institution also acknowledges that the funds received will be returned no later than November 29, 2024.

Corrective Action: The institution has taken steps to make sure hard copies are continually retained as well as the creation of a shared drive between the offices to store official student documents. The documents within the shared drive will only be accessible to pertinent offices. Finally, pertinent offices will maintain a log of all official documents received with updates within the systems.