

Document Number  
**COMMISSION ON HIGHER EDUCATION**  
Chapter 62  
Statutory Authority: 1976 Code Section 59-142-20

**62-450 South Carolina Need-based Grants Program**

**Preamble:**

The Commission proposes to amend and replace in its entirety R.62-450 of the South Carolina Need-based Grants Program. The proposed amendments will clarify the policies and procedures for administering the State Need-based Grant. The regulations address revising the requirement that a grant recipient cannot have a criminal record to the requirement that a grant recipient not have any felonies, alcohol or drug related offenses; and, adding sections for students with disabilities and enrollment in the Doctorate of Pharmacy (Pharm.D.) Program.

Notice of Drafting for the proposed amendments was published in the *State Register* on October 27, 2000. Comments from the notice were considered in formulating in the proposed revisions. See Discussion of Proposed Revisions below and Statement of Need-and Reasonableness herein.

**Section-by-Section Discussion:**

- 62-460 Reordered section in order to present the definition of terms in alphabetical order. The definition for "satisfactory academic progress" was added.
- 62-465 In order to be consistent with the LIFE and Palmetto Fellows Scholarship Programs, Section 2 was added so that Need-based Grant recipients must be either a U.S. citizen or permanent resident in order to be eligible. Section 7 was added as a student eligibility requirement because S.1235 was approved by the 2000 General Assembly requiring that State Need-based Grant recipients not be convicted of any felonies, alcohol or drug-related offenses.
- 62-475 Section E(2) was added in the policies and procedures for awarding the State Need-based Grant so that recipients must have a signed affidavit on file attesting to the fact that they have not been convicted of any felonies, alcohol or drug-related offenses.
- 62-480 Section D(1) clarified so that students receive academic credit for those hours in which they receive a passing grade. This section also clarifies that the required number of hours for renewal is based upon the number of terms the student receives the Need-based Grant each academic year. Section D(3) was added under the renewal criteria (no felonies, alcohol or drug-related offenses).
- 62-485 In order to adhere to the requirements of the Americans with Disabilities Act and Section 504 of the Rehabilitation Act, section added to address the needs of students with disabilities.
- 62-495 Section added in order to allow for the use of State Need-based Grant funding towards the Pharm.D. Program, as long as the student meets all other eligibility criteria including not obtaining the first bachelor's degree and not exceeding eight full-time equivalent terms of funding.

**Notice of Public Hearing and Opportunity for Public Comment:**

Interested members of the public and regulated community are invited to make oral or written comments on the proposed regulations at a public hearing to be conducted by the South Carolina Commission on Higher Education at its regularly scheduled meeting on February 1, 2001, to be held in the Large

Conference Room at 1333 Main Street, Suite 200, Columbia, South Carolina 29201. The meeting commences at 10:30 a.m. at which the Commission will consider items on its agenda in the order presented. Persons desiring to make comments at the hearing should submit their statements in writing by no later than 5:00 p.m. on January 24, 2001.

**Preliminary Fiscal Impact Statement:**

There will be no increased costs to the State or its political subdivisions.

**Statement of Need and Reasonableness:**

**DESCRIPTION OF REGULATION: 62-450 South Carolina Need-based Grants Program**

**Purpose:** R.62-450 is being emended and replaced in its entirety. The proposed amendments will clarify the policies and procedures for administering the State Need-based Grant.

**Legal Authority:** The legal authority for R.62-450 is 1976 Code Section 54-142-20

**Plan for Implementation:** The proposed amendments will take effect upon approval by the General Assembly and the publication in the *State Register*. The proposed amendments will be implemented by providing the regulated community with copies of the regulation.

**DETERMINATION OF NEED AND RESONABLENESS OF THE PORPOSED REGULATIONS BASED ON ALL FACTORS HEREIN AND EXPECTED BENEFITS:** The proposed regulations will promote consistency among the regulations for scholarship and grant programs administered by the Commission on Higher Education.

**DETERMINATION OF COSTS AND BENEFITS:** The financial aid community will benefit by obtaining consistency among the regulations for scholarship and grant programs administered by the Commission on Higher Education.

**UNCERTAINTIES OF ESTIMATES:** None.

**EFFECT ON ENVIRONMENT AND PUBLIC HEALTH:** None.

**DETRIMENTAL EFFECT ON THE ENBRIONMENT AND PUBLIC HEALTH IF THE REGULATION IS NOT IMPLEMENTED:** None.

**Text:**

**62-450 Purpose of the South Carolina Need-based Grants Program**

Pursuant to Act 458, South Carolina Children First: Resources for Scholarships and Tuition Act of 1996, of the 1995-1996 Appropriations Bill, the Commission on Higher Education shall promulgate regulations and establish procedures to administer the South Carolina Need-based Grants Program. The purpose of the South Carolina Need-based Grants Program is to provide additional financial aid assistance to South Carolina's neediest students. The program will assist students who wish to attend public or independent colleges or universities in the State.

**62-455 Allocation of Need-based Grant Funds to Public and Independent Institutions:**

Funds made available for higher education grants and scholarships under Act 458, South Carolina Children First: Resources for Scholarship and Tuition Act of 1996, shall be included in the annual appropriation to the Commission on Higher Education and shall be awarded to eligible students attending public or independent eligible institutions by the Commission on Higher Education as State Need-based Grant recipients as follows:

A. Public Institutions:

(1) "Public institutions" are those institutions as defined in Chapter 103 of Title 59 of the 1976 Code, which stipulates that: "1) 'public higher education' shall mean State-supported education in the post-secondary field, including comprehensive and technical education; 2) 'public institution of higher learning' shall mean any state-supported post-secondary educational institution and shall include technical and comprehensive educational institutions."

(2) From the funds available for the higher education grants and scholarships allocation for public institutions under Chapter 143 of Title 59 of the 1976 Code, as amended under the South Carolina Children First: Resources for Scholarship and Tuition Act of 1996, allocated funds for the South Carolina Need-based Grants Program shall equal fifty percent of the designated appropriation. Of the funds allocated to public institutions, the percentage shall be equivalent to the percentage of the public institution's share of the total South Carolina resident undergraduate full-time headcount enrollment in the preceding year. The remaining fifty percent shall be allocated to Palmetto Fellows Scholarships. However, in instances where the equal division of the appropriated funds between Need-based Grants and the Palmetto Fellows Scholarship Programs exceeds the capacity to make awards in either program, the Commission on Higher Education has the authority to re-allocate the remaining funds between the two programs until these programs are fully implemented in FY 2000-2001, after which an equal division between the two programs shall be maintained.

B. Independent Institutions:

(1) "Independent institutions" are those institutions eligible to participate in the South Carolina Tuition Grants Program as defined in Chapter 113 of Title 59 of the 1976 Code, which stipulates that "an independent institution of higher learning means any independent eleemosynary junior or senior college in South Carolina whose major campus and headquarters are located within South Carolina and which is accredited by the Southern Association of Colleges and Schools."

(2) The funds made available to the independent institutions for the higher education grants and scholarships are derived as a percentage of total funds appropriated for this purpose under the South Carolina Children First: Resources for Scholarship and Tuition Act of 1996. Fifty percent of these funds will be allocated to the South Carolina Need-based Grants Program. Of the funds allocated to independent institutions, the percentage shall be equivalent to the percentage of the independent institutions' share of the total South Carolina resident undergraduate full-time headcount enrollment in the preceding year (e.g., for 1997-98, 18.5 percent of in the enrollment) and will be determined annually by the South Carolina Commission on Higher Education and the Tuition Grants Commission. The remaining fifty percent shall be allocated to Palmetto Fellows Scholarships. However, in instances where the equal division of the appropriated funds between Need-based Grants and the Palmetto Fellows Scholarship Programs exceeds the capacity to make awards in either program, the Commission on Higher Education has the authority to re-allocate the remaining funds between the two programs until these programs are fully implemented in

FY 2000-2001, after which an equal division between the two programs shall be maintained.

(3) The funds allocated for Need-based Grants shall be included in the annual appropriation to the Commission on Higher Education and transferred annually into the budget of the South Carolina Tuition Grants Commission, which will distribute these funds as Tuition Grants.

**62-460 Program Definitions for Administering South Carolina Need-based Grants at Public Institutions**

- A. "Academic year" is defined as the fall and spring terms during which a part-time student would be expected to complete a minimum of twelve credit hours (or its equivalent) or a full-time student would be expected to complete a minimum of 24 credit hours (or its equivalent).
- B. "Associate program" is defined as a two-year technical or occupational program or an associate degree program (Associate of Arts or Associate of Science) which leads to the first two years of a baccalaureate degree at a location approved by the U.S. Department of Education for participation in federally-funded financial aid programs and authorized by the Commission on Higher Education.
- C. "Baccalaureate program" is defined as a program of study leading to the first bachelor's degree at a location approved by the U.S. Department of Education for participation in federally funded financial aid programs and authorized by the Commission on Higher Education.
- D. "Degree-seeking undergraduate student" is defined as any part-time or full-time degree-seeking student enrolled in an undergraduate program at an eligible institution which leads to the first associate degree and/or to the first baccalaureate degree but not to the first associate degree acquired after completion of the first baccalaureate degree.
- E. "Eligible program" is defined as a program of study leading to: 1) an associate or baccalaureate degree; 2) at least a two-year program that is acceptable for full credit towards a bachelor's degree; or 3) at least a one-year educational program that leads to a degree, certificate, or other recognized educational credential (e.g., diploma), which meets all other Title IV regulations as authorized by the U.S. Department of Education for participation in federally-funded financial aid programs, provided that all of the above are permitted by the enabling legislation.
- F. "Full-time student" shall mean a student who has matriculated into a program leading to a baccalaureate, associate, diploma, or one-year certificate program, and who enrolls in a minimum of twelve credit hours (or its equivalent) during the regular academic term.
- G. "Need analysis" shall mean the process of analyzing the household and financial information on the student's financial aid application and calculating the amount the family can be expected to contribute to educational costs. For federal student financial aid programs, the need analysis system is defined under Title IV of the Higher Education Act of 1965.
- H. "Needy student" shall mean a post-secondary student enrolled in or accepted for enrollment in a two-year or four-year college or university who demonstrates to the institution the financial inability, either parental, familial, or personal, to bear the total cost of education for any regular academic term. The determination of need shall be made in accordance with federal need analysis formulae and provisions.
- I. "One-year educational program" is defined as an undergraduate program of study leading to other recognized credentials (e.g., certificates or diplomas which prepare students for gainful employment in a

recognized occupation) at a location approved by the U.S. Department of Education for participation in federally-funded financial aid programs and is authorized by either the Commission on Higher Education or the State Board for Technical and Comprehensive Education.

J. "Part-time student" shall mean a student who has matriculated into a program leading to a baccalaureate, associate, diploma, or one-year certificate program, and who enrolls in a minimum of six credit hours and a maximum of eleven credit hours (or its equivalent) during the regular academic term.

K. "Remedial coursework" shall mean sub-collegiate level preparatory courses in English, mathematics, and reading.

L. "Satisfactory academic progress" shall mean the minimum academic standard for academic progress established by the institution for the purpose of complying with Title IV federal regulations for Federal Student Aid Programs.

M. "South Carolina resident" shall be defined as an individual who satisfies the requirements of residency in accordance with the State of South Carolina Statute for Tuition and Fees, Statute 59-112-10, and all related guidelines and regulations promulgated by the Commission on Higher Education.

#### 62-465 Student Eligibility

A. To be eligible for a Need-based Grant each academic year, the student must:

(1) Be a "needy student" following the financial need analysis as established for Title IV Federal Student Aid Programs for determining eligibility for federal student financial aid. The student must complete a Free Application for Federal Student Aid;

(2) Be a U.S. citizen or a permanent resident that meets the definition of an eligible non-citizen under State residency statutes;

(3) Be a resident of the State of South Carolina as defined in Chapter 112 of Title 59 of the 1976 Code of Laws governing the determination of residency for tuition and fee purposes and in rules and regulations pertaining thereto as promulgated by the Commission on Higher Education;

(4) Be enrolled or accepted for enrollment as a part-time or full-time undergraduate student in a baccalaureate, associate, diploma, or other one-year program, authorized by the Commission on Higher Education or the State Board for Technical and Comprehensive Education at an eligible two-year or four-year public college or university in South Carolina (provided that these programs are eligible programs under the enabling legislation). A student enrolled less than part-time (minimum of six credit hours during one term) may not receive a Need-based Grant for the semester or term in question but is eligible for reapplication for a grant upon return to part-time or full-time status;

(5) Be seeking for the first time an associate or baccalaureate degree, or other recognized credential in a one-year program as authorized by the Commission on Higher Education or the State Board for Technical and Comprehensive Education provided that these programs are eligible programs under the enabling legislation. Students who have already obtained a baccalaureate degree are not eligible for subsequent grant funds. Students who have obtained an associate degree initially are eligible for application for a Need-based Grant upon enrollment in a baccalaureate degree program but no student shall exceed a maximum of eight full-time equivalent terms. Students who have obtained a recognized credential in a

one-year program provided that these programs are eligible programs under the enabling legislation, initially are eligible for application for a Need-based Grant upon enrollment in an associate or baccalaureate degree program but a student may not exceed eight full-time equivalent terms;

(6) Be enrolled at the time of the grant disbursement in a minimum of six credit hours if part-time for the term (or its equivalent) or twelve credit hours if full-time for the term;

(7) Certify that he/she has not been adjudicated delinquent, convicted, or pled guilty or nolo contendere to any felonies, alcohol, or drug related offenses under the laws of this or any other state or under the laws of the United States by submitting a signed affidavit each academic year to the institution testifying to the fact, except that a student who has been adjudicated delinquent, convicted, or pled guilty or nolo contendere of an alcohol or drug related misdemeanor offense is only ineligible for the next academic year of eligibility after the date of the adjudication, conviction or plea. Any false information provided by the student or any attempt to obtain or expend any Need-based Grant for unlawful purposes or any purpose other than in payment or reimbursement for the cost-of-attendance at the institution authorized to award the grant will be cause for immediate cancellation of the Need-based Grant. Any student who has obtained a Need-based Grant through means of a willfully false statement or failure to reveal any material fact, condition, or circumstances affecting eligibility will be subject to applicable civil or criminal penalties, including loss of the Need-based Grant;

(8) Certify that he/she does not owe a refund or repayment on a State Grant, a Pell Grant, or a Supplemental Educational Opportunity Grant and is not in default on a loan under the Federal Perkins Loan or Federal Stafford Loan programs; and

(9) Must apply for the Need-based Grant each academic year and meet all eligibility requirements annually.

B. Students enrolled part-time or full-time may not receive a Need-based Grant for more than a maximum of eight full-time equivalent terms.

C. Students enrolled in an eligible program of study as stated in the "Program Definitions" section may include remedial courses as part of the minimum number of required credit hours for part-time or full-time status, as long as such courses carry credit hours and meet Title IV limitations on remedial coursework.

#### 62-470 Withdrawal, Suspension, or Dropping Below Part-Time or Full-Time Status

A. In the event a student who has been awarded a Need-based Grant withdraws or is suspended from the institution, or drops below part-time (six credit hours) or full-time (twelve credit hours) status during any regular term of the academic year, institutions must reimburse the Need-based Grants Program for the amount of the Need-based Grant for the term in question pursuant to refund policies of the institution.

B. In the event a student withdraws or drops below part-time or full-time status after the institution's refund period and therefore must pay tuition and fees for part-time or full-time enrollment, the award may be retained by the student pursuant to the refund policies of the institution.

C. The institution may redistribute such funds to other eligible students in accordance with the guidelines, or if such funds cannot be redistributed within the academic year, the institution shall return the refund amount to the Commission on Higher Education for redistribution to other institutions.

## 62-475 Policies and Procedures for Awarding Need-based Grants

A. Need-based Grants may not exceed \$1,250 for part-time students and \$2,500 for full-time students per academic year.

B. Need-based Grants are to be used only for payment for the cost-of-attendance as defined by Title IV regulations as modified by C. below for the academic year for which the award is made at the designated institution. In determining the amount awarded for the Need-based Grant, all other sources of grant funds, including Federal, state, institutional, family contribution, and gift assistance must be applied to the total cost-of-attendance in accordance with Title IV regulations before calculating the unmet need and awarding the grant. The maximum amount awarded shall not exceed the cost-of-attendance as defined in Title IV regulations for any year.

C. Charges for room and board are to be limited as follows:

(1) Room charges shall not exceed the average cost of on-campus residential housing; and

(2) Board charges shall not exceed the cost of the least expensive on-campus meal plan, which includes 21 meals per week.

D. Adjustments to the financial aid package will be made to the Need-based Grant in accordance with prescribed federal aid Title IV regulations in order to prevent an over-award.

E. The institution must retain annually appropriate paper or electronic documentation for each grant award to include at a minimum:

(1) Need analysis

(2) Affidavit documenting that the student has never been convicted of any felonies, alcohol or drug related offenses as stated under Sections 62-465A(7) and 62-480D(3)

(3) Award notification

(4) Institutional disbursements to students

(5) Refunds and repayments

(6) Satisfactory academic progress

(7) Student residency status

(8) Enrollment and curriculum requirements

F. Annual allocations of funds to the public institutions will be based on each institution's percentage of the State's total enrollment of South Carolina resident undergraduate full-time degree-seeking headcount enrollment. The percentage will be based on the previous year's total as determined by the Commission on Higher Education. Unused funds, which cannot be awarded by an institution, must be returned to the Commission on Higher Education, which may redirect the funds to institutions where unmet need exists.

G. The Need-based Grants Program for the public institutions will be campus-administered, and the grant funds will supplement the student financial aid awards administered by the participating public colleges and universities.

H. The institution will make awards in amounts to be defined in accordance with the Need-based Grants Program regulations and criteria, but not to exceed \$1,250 per eligible part-time student and \$2,500 per eligible full-time student per year, based on the institution's allocated funds for Need-based Grants and other financial aid awarded to individual applicants.

I. Participating institutions will notify students of their Need-based Grant along with the terms and conditions of the award.

J. The Need-based Grant shall be awarded only after all other sources of grant funding, including gift assistance, family contribution, institutional, State, and Federal sources of grant aid have been exhausted.

K. It is the institution's responsibility to ensure that no ineligible student receives a Need-based Grant.

#### 62-480 Duration of Award and Continued Eligibility

A. Need-based Grants shall be awarded for no longer than one academic year. The institution shall adjust the amount of the grant award during the academic year in the event of a change in the student's financial or enrollment status.

B. Need-based Grants may be awarded annually for no more than a total of eight full-time equivalent terms of part-time or full-time study. Award decisions will be made annually and are not automatically guaranteed.

C. Students must reapply annually for a Need-based Grant in accord with these guidelines and other pertinent statutes and regulations and with application timeliness and procedures stipulated by the institutions. Students applying for a Need-based Grant must file a Free Application for Federal Student Aid and any supplemental forms, which may be required by the institution.

D. For continued eligibility, the student is required to:

(1) Earn at least 24 credit hours (or its equivalent) each regular academic year if awarded a Need-based Grant as a full-time student or earn at least twelve credit hours (or its equivalent) each regular academic year if awarded a Need-based Grant as a part-time student. If a student is awarded a Need-based Grant for one term of the academic year as a part-time student and the other term as a full-time student, the student must earn at least eighteen credit hours (or its equivalent) each regular academic year. If a student is awarded a Need-based Grant for only one term of the academic year, the student must earn at least twelve credit hours (or its equivalent) each regular academic year if a full-time student or earn at least six credit hours (or its equivalent) each regular academic year if a part-time student. Credits earned during any additional terms (i.e., interim, winterim, maymester, summer or other non-regular term) cannot be used to replace or reduce the minimum credit hour requirement for the regular academic year;

(2) Earn at least a cumulative 2.0 grade point average on a 4.0 scale for graduation purposes by the end of each regular academic year; and

(3) Certify that he/she has not been adjudicated delinquent, convicted, or pled guilty or nolo contendere



to any felonies, alcohol, or drug related offenses under the laws of this or any other state or under the laws of the United States by submitting a signed affidavit each academic year to the institution testifying to the fact, except that a high school or college student who has been adjudicated delinquent, convicted, or pled guilty or nolo contendere of an alcohol or drug related misdemeanor offense is only ineligible for the next academic year of eligibility after the date of the adjudication, conviction or plea.

E. The institution shall be responsible for maintaining institutional certification of each recipient's continuous part-time and/or full-time enrollment in an eligible program of study as determined under Title IV regulations for participation in federally-funded financial aid programs leading to: 1) an associate or baccalaureate degree; 2) at least a two-year program that is acceptable for full credit towards a bachelor's degree; or 3) at least a one-year educational program that leads to a diploma or certificate, authorized by either the Commission on Higher Education or the State Board for Technical and Comprehensive Education.

F. Students wishing to appeal any grant award decision must submit a written request to the institution's Director of Financial Aid. This request will be handled in accord with the institution's financial aid appeals procedures. The institution's decision on appeals shall be final.

#### 62-485 Students with Disabilities

A. Students who qualify under the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973 must meet all eligibility requirements as defined in Section 62-465 except for a student who is approved by the Disability Services Provider to be enrolled in less than part-time status is eligible to receive grant funding. Students must comply with all institutional policies and procedures in accordance with ADA and Section 504 of the Rehabilitation Act of 1973.

B. For renewal, students who qualify under ADA and Section 504 of the Rehabilitation Act of 1973 must meet all renewal requirements as defined in Section 62-480 except for a student not meeting the annual credit hour requirement who is approved by the Disability Services Provider to be enrolled in less than part-time status for that academic year. Students must complete the required number of hours approved by the institutional Disability Services Provider each academic year for grant renewal and earn a minimum 2.0 cumulative grade point average on a 4.0 scale by the end of the academic year. Students must comply with all institutional policies and procedures in accordance with ADA and Section 504 of the Rehabilitation Act of 1973.

C. The institutional Disability Services Provider must provide written documentation to the Office of Financial Aid each academic year verifying that the student is approved to be enrolled in less than part-time status.

D. Students who qualify under ADA and Section 504 of the Rehabilitation Act of 1973 are eligible to receive up to the maximum number of available terms and available funds as stated in 62-460.

#### 62-490 Enrollment in Internships, Cooperative Work Programs, Travel Study Programs, or National or International Student Exchange Programs

A. Students enrolled in an internship, cooperative work program, travel study program, or National or International Student Exchange Program approved by the student's home institution, and enrolled in fewer than six credit hours, shall not be eligible to receive a Need-based Grant during the period in which the student is enrolled in such programs or courses. Students enrolled in such programs may receive a Need-

based Grant during a subsequent fall or spring term if determined to be eligible.

#### 62-495 Enrollment in Doctor of Pharmacy (Pharm.D.) Program

A. Students enrolled in a Pharm.D. Program, and who have not been granted their first bachelor's degree, are eligible to receive the Need-based Grant. Grant funding may not exceed eight full-time equivalent terms. Students must meet all other eligibility criteria as set forth in the program regulations.

#### 62-500 Institutional Procedures for Award Notification

A. The institution will identify award amounts, which cannot exceed \$1,250 per eligible part-time student and \$2,500 per eligible full-time student per academic year. Half of each grant shall be disbursed during the fall term and half disbursed during the spring term (or their equivalents) of each year, assuming continued eligibility. Under the current regulations, the maximum amount which may be received for eight full-time equivalent terms by a recipient shall be \$10,000 for students seeking their first baccalaureate degree, \$5,000 for students seeking their first associate degree or two-year diploma, and \$2,500 for students seeking their first one-year certificate or diploma programs that are authorized by the U.S. Department of Education under Title IV regulations for participation in federally-funded financial aid programs and by the Commission on Higher Education and/or the State Board for Technical and Comprehensive Education. Study toward the first diploma or certificate may be followed by study toward the first associate degree, which may be followed by transfer to the first baccalaureate degree program.

B. The institution shall provide an award notification to Need-based Grant recipients who will contain the terms and conditions of the grant and other financial aid awarded. Students will be notified of adjustments in financial aid due to changes in eligibility and/or over-award issues.

#### 62-505 Need-based Grant Disbursements

A. Where the initial allocation exceeds the needs of students at an institution, the Commission shall have the authority to redistribute the excess funds to other institutions.

(1) All funds not awarded by the institution 45 days after the last day to register for the spring term of the academic year shall be returned to the Commission for redistribution.

(2) Institutions in need of Need-based Grants for eligible students must provide documentation to this effect and must request additional funds from the Commission on Higher Education in writing by not later than 45 days after the last day to register for the spring term of the academic year.

#### 62-510 Program Oversight for Need-based Grants

A. The South Carolina Commission on Higher Education will coordinate the oversight of functions (e.g., guidelines, policies, rules, regulations) relative to this program with eligible institutions. The Commission on Higher Education shall be responsible for the allocation of funds, promulgation of the regulations and rules, and statewide oversight of the Need-based Grants Program.

B. In order to participate in the program, institutions must abide by program policies, rules or regulations, and maintain and provide all pertinent information, records, reports, or any information as may be required or requested by the Commission on Higher Education or the General Assembly to ensure proper administration of the program.

C. The initial maximum award for the Need-based Grants Program may be adjusted periodically by the Commission due to inflation increases or other relevant factors.

D. After the last day to register for each term of the academic year, the institution will verify that each recipient is a South Carolina resident who is a part-time or full-time student enrolled in a program of study leading to the first: 1) associate or baccalaureate degree; 2) two-year program that is acceptable for full credit towards a bachelor's degree; or 3) one-year educational program that leads to a diploma or certificate, as authorized by the U.S. Department of Education under Title IV regulations for participation in federally-funded financial aid programs, the Commission on Higher Education, and/or the State Board for Technical and Comprehensive Education. A reconciliation report will be submitted to the Commission at the end of each academic year. Unused funds or repayments shall be refunded to the Commission no later than 45 days after the last day to register for the spring term.

E. The Commission on Higher Education shall appoint an advisory committee to review program policies and procedures and to provide recommendations to the Commission pertaining to program administration. The advisory committee shall include financial aid administrators from selected eligible public institutions.

F. In instances where the equal division of the appropriated funds between Need-based Grants and the Palmetto Fellows Scholarship Programs exceed the capacity to make awards in either program, the Commission on Higher Education shall reallocate the remaining funds between the two programs until these programs are fully implemented in FY 2000-2001, after which an equal division between the two programs shall be maintained.

G. The institutions are authorized to establish additional guidelines, rules, and regulations for awarding the grants consistent with the South Carolina Need-based Grants Program regulations contained herein.

#### 62-515 Suspension or Termination of Institutional Participation

A. The Commission may review institutional administrative practices to determine institutional compliance with rules and regulations, pertinent statutes, and program guidelines. If such a review determines that an institution has failed to comply with program statutes, rules, or regulations, the Commission may suspend, terminate, or place certain conditions upon the institution's continued participation in the program and require reimbursement to the State Need-based Grants Program for any funds lost or improperly awarded.

B. Upon receipt of evidence that an institution has failed to comply with program statutes, rules, regulations, the Commission on Higher Education shall notify the institution in writing of the nature of such allegations and conduct an audit.

C. If an audit indicates that a violation or violations may have occurred or are occurring at any public or independent college or university, the Commission on Higher Education shall secure immediate reimbursement from the institution in the event that any funds were expended out of compliance with the provisions of the Act, any relevant statutes, pertinent rules, and these regulations.