

SOUTH CAROLINA STATE UNIVERSITY

ORANGEBURG, SOUTH CAROLINA

OMB CIRCULAR A-133 REPORTS

(With Independent Auditors' Report Thereon)

YEAR ENDED JUNE 30, 2008

SOUTH CAROLINA STATE UNIVERSITY

Table of Contents

	Page
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	1 - 2
Report on Compliance With Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance in Accordance With OMB Circular A-133 and on the Schedule of Expenditures of Federal awards	3 - 5
Schedule of Findings and Questioned Costs	
Section I - Summary of Auditor's Results	6 - 7
Section II – Financial Statement Findings	8 - 10
Section III – Federal Award Findings and Questioned Costs	11 -14
Section IV – Prior Year Findings	15
Schedule of Expenditures of Federal Awards	16 - 21
Notes to Schedule of Expenditures of Federal and State Awards	22
Management Corrective Action Plans	



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Members of the Board of Trustees
South Carolina State University
Orangeburg, South Carolina

We have audited the financial statements of the business type activity and the discretely presented component unit of South Carolina State University (the "University"), as of and for the year ended June 30, 2008, which collectively comprise the University's basic financial statements and have issued our report thereon dated October 9, 2008. Our opinion on the financial statements insofar as it relates to the amounts for the South Carolina State University Foundation, Inc., a component unit of the University, is based solely on the reports of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of South Carolina State University Foundation, Inc. were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the University's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described

in the accompanying schedule of findings and questioned costs as item 08-01 to 08-03 to be significant deficiencies in internal control over financial reporting.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiencies described above are not material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of South Carolina State University in a separate letter dated October 9, 2008.

The University's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the University's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Trustees, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cheng Beckert + Holland, C.L.P.

Charlotte, North Carolina
October 9, 2008



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Members of the Board of Trustees
South Carolina State University
Orangeburg, South Carolina

Compliance

We have audited the compliance of South Carolina State University (the "University") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the University's management. Our responsibility is to express an opinion on the University's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the University's compliance with those requirements.

In our opinion, the University complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 08-04 to 08-08.

Internal Control Over Compliance

The management of the University is responsible for establishing and maintaining effective internal controls over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the University's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that non-compliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The University's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the University's response and, accordingly, we express no opinion on it.

We have audited the financial statements of the business type activity and the discretely presented component unit of South Carolina State University (the "University"), as of and for the year ended June 30, 2008, and have issued our report thereon dated October 9, 2008. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the University's basic financial statements. The accompanying schedule of federal expenditures of federal awards is presented for the purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the Board of Trustees, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cheng, Beckett + Holland, L.L.P.

Charlotte, North Carolina
October 9, 2008

SOUTH CAROLINA STATE UNIVERSITY
Schedule of Findings And Questioned Costs
For the Year Ended June 30, 2008

Section I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness identified? yes no
- Significant deficiencies identified that
are not considered to be a material
weaknesses yes none reported

Noncompliance material to financial statements
noted yes no

Federal Awards

Internal control over major federal programs:

- Material weakness identified? yes no
- Significant deficiencies identified that
are not considered to be material
weaknesses yes none reported

Noncompliance material to federal awards yes no

Type of auditors' report issued on compliance for major federal programs: Unqualified

Any audit findings disclosed that are required to
be reported in accordance with Section 510(a)
of Circular A-133 yes no

SOUTH CAROLINA STATE UNIVERSITY
 Schedule of Findings And Questioned Costs
 For the Year Ended June 30, 2008

Identification of major federal programs:

PROGRAM NAME	CFDA No.
Student Financial Assistance Cluster:	
Federal Supplemental Educational Opportunity Grants	84.007
Federal Family Educational Loan Program	84.032
Federal Work Study Program	84.033
Federal Perkins Loan Program - Federal Capital Contribution	84.038
Federal Pell Grant Program	84.063
Academic Competitiveness Grants	84.375
National Science and Mathematics Access to Retain Talent Grants	84.376
TRIO Cluster:	
TRIO - Student Support Services	84.042
TRIO - Talent Search	84.044
TRIO - Upward Bound	84.047
TRIO - Educational Opportunity Centers	84.066

Dollar threshold used to distinguish between
 Type A and Type B Programs

\$ 1,826,944

Auditee qualified as low-risk auditee?

X yes no

SOUTH CAROLINA STATE UNIVERSITY
Schedule of Findings And Questioned Costs
For the Year Ended June 30, 2008

Section II. Financial Statement Findings

Finding: 08-01 - Audit adjustments

Criteria:

Statement on Auditing Standards No. 112 includes a presumption that the discovery of financial statement misstatements in the course of an audit indicates a deficiency in internal control exists.

Condition:

We proposed a few audit adjustments during the course of the audit of the financial statements as of and for the year ended June 30, 2008.

Effect:

Financial statement may not be fairly stated in accordance with accounting principles generally accepted in the United States of America which may affect management decisions.

Cause:

The accounting manager had resigned before we started the audit; hence, not all accounts were properly reviewed and reconciled.

Recommendation:

In order to make the financial reporting as meaningful as possible, the finance department, in coordination with the other departments, should totally review, analyze and reconcile general ledger accounts. Reconciliations and account analyses should be reviewed and approved by management and required adjustments should be recorded on a timely basis.

Management response:

See Corrective Action Plan.

Finding # 08-02 - Control over collection of grants and contracts receivable

Criteria:

University policy and procedure requires that sponsored projects are invoiced for reimbursement of expenditures to the University on a monthly basis. Should there be unreasonable delay in collection, a follow up should be made immediately and attended to for whatever additional requirements required by the Sponsor.

Condition:

There are significant amount of grants and contracts receivables from US Department of Transportation that are not being collected for a long period of time.

Effects:

As of June 30, 2008, about \$1.6M of federal grants and contracts receivable from US Department of Transportation remained uncollected since 2006. This negatively impacts the cash flow of the University.

SOUTH CAROLINA STATE UNIVERSITY
Schedule of Findings And Questioned Costs
For the Year Ended June 30, 2008

Cause:

The University Transportation Center has not submitted required programmatic reports for several projects to the US Department of Transportation as of audit date. Also the Sponsor held the reimbursement pending management response to 2006 audit report conducted by the US Department of Health and Human Services Office of Inspector General. However, the University received the audit report in April 2008 and submitted the response on July 28, 2008.

Recommendation:

To improve cash flow of the University, additional documents and reports required by the Sponsor should be immediately submitted in order to get reimbursements on a timely manner.

Management response:

See corrective action plan

SOUTH CAROLINA STATE UNIVERSITY
Schedule of Findings And Questioned Costs
For the Year Ended June 30, 2008

Finding # 08-03 - Control over collection of student accounts receivable

Criteria:

As published in the University's website, the University requires that all expenses for the semester, including fees, room and board, must be paid before or at the beginning of each semester as a condition of admission to class. All students indebted to the University must clear all financial obligations with the Business Office prior to the taking of final examinations. Students whose bills have not been paid cannot enter final examinations.

Condition:

- a. Two out of nine students selected for testing were admitted to the next semester even if they had not paid the balance of the previous semester. Their accounts remained unpaid as of June 30, 2008.
- b. Two students selected in our walkthrough were reported to have stayed in the University dormitory but were not officially enrolled. These students were appropriately billed but did not pay as of June 30, 2008.

Effects:

As of June 30, 2008, about 60% of student receivables are past due over 90 days. Of amount over 90 days, 43% has no payment since June 30, 2007. Cash flow of the University is negatively affected with non-collection of accounts.

Cause:

University policies and control procedures were not strictly implemented.

Recommendation:

To improve cash flow of the University and avoid losses due to non-collection of student accounts, policies and procedures of the University should be strictly implemented.

Management response:

See corrective action plan

SOUTH CAROLINA STATE UNIVERSITY
Schedule of Findings And Questioned Costs
For the Year Ended June 30, 2008

Section III: Findings related to the audit of major federal award programs

Finding: 08-04 - Reporting of Federal Awards

United States Department of Education
Federal Perkins Loan Program, Pell, FWS
CFDA# 84.038, 84.063, 84.033

Criteria:

Amounts included in financial reports submitted to grantor agencies are required to be supported by and agree with amounts reported in the entity's underlying accounting records.

Condition:

Perkins, Pell, and FWS reported in FISAP report for the year ended June 30, 2008 did not agree with amounts recorded in the University's general ledger for the year ended June 30, 2008.

Questioned costs:

There were no questioned costs related to this finding.

Effect:

Information provided to the grantor may not be accurate.

Cause:

Amount reported for Pell was a typographical error while amount reported for FWS did not include all GL codes that pertained to FWS expense. For Perkins, correction of prior year's report could not be done electronically due to system limitation. The report is submitted electronically and is programmed in such a way that the University is not able to reduce the amounts that were over reported in prior years.

Recommendation:

To ensure accuracy of amount reported in FISAP, we suggest that the report be reviewed carefully by the Finance department before the report is submitted to Department of Education.

To facilitate correction of Perkins prior year's report, we suggest the University should contact directly the right person in the Department of Education and ask assistance on how to edit and correct overstatement of prior year's data.

Management response:

See Corrective Action Plan.

SOUTH CAROLINA STATE UNIVERSITY
Schedule of Findings And Questioned Costs
For the Year Ended June 30, 2008

Finding: 08-05 - Timeliness in Return of Title IV Funds

United States Department of Education
Federal Family Education Loans
CFDA# 84.032

Criteria:

Under Federal Regulations, 34 CFR 668.22 and 668.173, when a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution is required to determine the correct amount of Title IV grant or loan assistance that the student earned as of the student's withdrawal date. The institution has to return any unearned portion of Title IV funds no later than 45 days after the date it determines that the student withdrew.

Condition:

Out of four samples, unearned portion of Title IV funds of one student who withdraw from class was computed but was not returned to the lender as of audit date.

Questioned costs:

Unearned Title IV funds amounted to \$2,728.22 should be returned to the lender.

Effect:

Amount of \$2,728.11 was not returned to the lender within 45 days from the date the University determined that the student withdrew.

Cause:

Oversight.

Recommendation:

Unearned Title IV funds should be returned to the lender no later than 45 days from the date the University determined the student withdrew.

Management response:

See Corrective Action Plan.

Finding: 08-06 - Balancing and Reconciliation of Records

United States Department of Education – Higher Education Act (HEA)
Trio program – Upward Bound, Talent Search and Student Support Services
CFDA# 84.042, 84.044, 84.047

Criteria:

Under Federal Regulations, on a monthly basis, Federal fund received (drawdown) and disbursed must be reconciled with the books of accounts.

Condition:

SOUTH CAROLINA STATE UNIVERSITY
Schedule of Findings And Questioned Costs
For the Year Ended June 30, 2008

The University did not reconcile on a monthly basis the funds received (drawdown) and disbursed for Upward Bound, Talent Search and Student Support Services with the general ledger.

Questioned costs:

The University had overdrawn the funds amounting to \$79,240.

Effect:

As of June 30, 2008, the cash position report for Student Support Services (SSS) and Upward Bound (UB) showed overdrawn balances of \$54,442 and \$24,798, respectively.

Cause:

The grants accounting staff in-charge of these funds maintained a log of funds drawn but did not reconcile it with the general ledger.

Recommendation:

To ensure accuracy of the month-end balance (AR and Cash) and avoid any over drawing of funds, we recommend that Trio funds should be reconciled with the general ledger on a monthly basis and should be reviewed and approved by management.

Management response:

See Corrective Action Plan.

Finding # 08-07 - Record keeping and inventory of equipment purchased

United States Department of Education
Trio program – Upward Bound, Talent Search, Student Support Services
And Educational Opportunity Centers
CFDA# 84.042, 84.044, 84.047, 84.066

Criteria:

Property record should be maintained for equipment purchased to ensure these are properly accounted for and facilitate periodic physical inspection.

Condition:

In our test, we noted Trio program purchased four computer laptops and 38 units of desktops. Since individual unit price is below \$5,000, these items were directly expensed and not capitalized based on capitalization policy of the University. Nevertheless, these items were tagged by property custodian but no record was maintained except for the purchase order file. Neither of these were included in annual physical inspection done by property custodian office. Furthermore, the office of Trio Program did not have a complete list of inventory of accountable assets.

Questioned costs:

There is no questioned cost related to this finding.

Effects:

SOUTH CAROLINA STATE UNIVERSITY
Schedule of Findings And Questioned Costs
For the Year Ended June 30, 2008

These accountable assets were not included in the annual physical inspection of University's fixed assets.

Cause:

Purchase of directly expense but accountable assets were not entered into the Banner system neither a separate list is maintained for accounting purposes.

Recommendation:

To strengthen internal controls over accountable assets such as computer laptops and desktops, we recommend that directly expensed accountable assets should still be entered into the Banner system to facilitate annual inspection and to detect any loss of properties.

Management response:

See corrective action plan

SOUTH CAROLINA STATE UNIVERSITY
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2008

Finding: 07-01 - Audit Adjustments

Condition:

We proposed several entries to correct misstatements discovered during the course of the audit of the financial statements as of and for the year ended June 30, 2007. Some of the entries were individually significant to the financial statements and the aggregate combined likely misstatement resulting from the misstatement was also significant, but not material, to the financial statements.

Recommendation:

The finance department, once the new accounting software package has been implemented, should review procedures to ensure all required adjustments and journal entries are recorded.

Current Status:

The University has already implemented new accounting software package as well as procedures for month-end closing and adjustments. However, due to resignation of the accounting manager, month-end closing procedures were not completely reviewed and reconciled. This finding is not considered closed as noted in Finding 08-01.

Finding: 07-02 - Federal Reporting of Perkins Loan Information

Condition:

Amounts reported in Part III Section A of the FISAP report for the year ended June 30, 2007 did not agree with amounts recorded in the University's general ledger for the year ended June 30, 2007.

Recommendation:

The University should contact the Department of Education directly to determine if there is some way to adjust prior year numbers downward.

Current Status:

This finding is not closed as noted in Finding 08-04.

SOUTH CAROLINA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Total Expenditures</u>	<u>Pass-Through Expenditures to Subrecipients</u>
Research and Development Cluster			
Direct Programs:			
U.S. Department of Agriculture			
Payments to 1890 Land-Grant Colleges and Tuskegee University	10.205	\$ 2,806,185	\$ 24,999
1890 Institution Capacity Building Grants	10.216	183,952	58,127
U.S. Department of Defense			
Basic and Applied Scientific Research	12.300	8,615	-
Basic Scientific Research	12.431	77,843	-
U.S. Department of Transportation			
Highway Training and Education	20.215	468,524	(33,101)
National Aeronautics and Space Administration			
Aerospace Education Services Program	43.001	61,069	(3,072)
National Science Foundation			
Engineering Grants	47.041	5,443	-
Education and Human Resources	47.076	700,624	67,334
Mathematical and Physical Sciences	47.049	104,956	52,766
Geosciences	47.050	37,215	-
Education and Human Resources	47.076	803,502	521,262
U.S. Department of Energy			
Office of Science Financial Assistance Program	81.049	685,860	292,758
University Reactor Infrastructure and Education Support Serving Institutions (MSI) Program	81.114	124,417	6,098
	81.123	20,795	-
U.S. Department of Education			
Minority Science and Engineering Improvement	84.120	77,775	-
U.S. Department of Health and Human Services			
National Center on Minority Health and Health Disparities	93.307	552,789	91,074
Research	93.865	762	-
		6,720,326	1,078,245

SOUTH CAROLINA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Total Expenditures</u>	<u>Pass-Through Expenditures to Subrecipients</u>
Pass-Through State Agencies:			
U.S. Department of Energy			
Passed Through University of South Carolina Renewable Energy Research and Development	81.087	73,264	-
Total Pass-Through State Agencies		<u>73,264</u>	<u>-</u>
Pass-Through Other Than State Agencies:			
National Science Foundation			
Passed Through South Carolina Resource Authority Education and Human Resources	47.076	216,787	-
Passed Through South Carolina Resource Authority Education and Human Resources	47.076	112,512	-
Passed Through University of Florida Education and Human Resources	47.076	58,921	-
U.S. Department of Health and Human Services			
Passed Through Central State University Family and Community Violence Prevention Program	93.910	1,312	-
Total Pass-Through Other Than State Agencies		<u>389,532</u>	<u>-</u>
U.S. Department of Defense			
Passed Through Clarkson Aerospace Corporation Air Force Defense Research Sciences Program	12.800	32,565	-
U.S. Department of Energy			
Passed Through University of Tennessee Nuclear Energy Research, Development and Demonstration	81.121	10,540	-
U.S. Department of Health and Human Services			
Passed Through Life Support, Inc. Community-Based Abstinence Education (CBAE)	93.010	44,451	27,376
Total Pass-Through Other Than State Agencies		<u>87,556</u>	<u>27,376</u>
Total Research and Development Cluster		<u>7,270,678</u>	<u>1,105,621</u>

SOUTH CAROLINA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Total Expenditures</u>	<u>Pass-Through Expenditures to Subrecipients</u>
Student Financial Assistance Programs Cluster			
U.S. Department of Education			
Federal Supplemental Educational Opportunity Grants	84.007	690,700	-
Federal family Educational Loan Program	84.032	31,939,486	-
Federal Work-Study Program	84.033	370,621	-
Federal Perkins Loan Program-Federal Capital Contribution	84.038	1,963,265	-
Federal Pell Grant Program	84.063	9,784,153	-
Academic Competitiveness Grants	84.375	457,705	-
National Science and Mathematics Access to Retain Talent (SMART) Grants	84.376	100,860	-
Total Higher Education Cluster		45,306,790	-
TRIO Cluster			
U.S. Department of Education			
TRIO-Student Support Services	84.042	197,810	-
TRIO-Talent Search	84.044	236,858	-
TRIO-Upward Bound	84.047	270,170	-
TRIO-Educational Opportunity Centers	84.066	217,257	-
Total TRIO Cluster		922,095	-
Non-Cluster Programs			
Direct Programs:			
U.S. Department of Agriculture			
Payments to 1890 Land-Grant Colleges and Tuskegee University	10.205	726,759	-
1890 Institution Capacity Building Grants	10.216	364	-
Fund for Rural America Research, Education and Extension Activities	10.224	5,366	-
Cooperative Extension Service	10.500	(3,988)	-
Rural Development, Forestry, and Communities	10.672	87,848	-
Rural Cooperative Development Grants	10.771	178	-
1890 Land Institutions Rural Entrepreneurial Outreach Program	10.856	79,011	-
Soil and Water Conservation	10.902	(1,010)	-
U.S. Department of Housing and Urban Development			
Northeastern Corridor of Orangeburg Community Historically Black Colleges and Universities Program	14.520	149,055	-

SOUTH CAROLINA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Total Expenditures</u>	<u>Pass-Through Expenditures to Subrecipients</u>
U.S. Department of Transportation			
Highway Training and Education	20.215	26,239	-
National Aeronautics and Space Administration			
Aerospace Education Services Program	43.001	2,985	-
Nuclear Regulatory Commission			
U.S. Nuclear Regulatory Commission Nuclear Education Grant Program	77.006	13,936	-
U.S. Nuclear Regulatory Commission Minority Serving Institutions Program (MISP)	77.007	64,567	-
U.S. Department of Energy			
University Reactor Infrastructure and Education Support	81.114	331,294	142,052
Nuclear Energy Research, Development and Demonstration	81.121	1,254	-
National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	81.123	571,996	248,505
U.S. Department of Education			
Special Education - Grants to States	84.027	30,912	-
Higher Education – Institutional Aid	84.031	3,503,975	-
Minority Science and Engineering Improvement	84.120	200,035	-
Rehabilitation Long-Term Training	84.129	262,747	-
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	521,022	66,815
Improving Teacher Quality State Grants	84.367	(43,705)	-
U.S. Department of Health and Human Services			
Rural Health Outreach and Rural Network Development Program	93.912	240	-
Nurse Education, Practice and Retention Grant	93.359	133,575	-
U.S. Agency for International Development			
USAID Foreign Assistance for Programs Overseas	98.001	1,322,196	-
		<u>7,986,851</u>	<u>457,372</u>

SOUTH CAROLINA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Total Expenditures</u>	<u>Pass-Through Expenditures to Subrecipients</u>
Indirect Programs:			
Pass-Through State Agencies:			
U.S. Department of Agriculture			
Passed Through Clemson University Cooperative Extension Service	10.500	42,408	-
U.S. Department of Defense			
Passed Through University of South Carolina Procurement Technical Assistance for Business Firms	12.002	21,836	-
U.S. Department of Transportation			
Passed Through South Carolina Department of Transportation Highway Planning and Construction	20.205	51,800	-
National Aeronautics and Space Administration			
Passed Through College of Charleston Aerospace Education Services Program	43.001	10,753	3,072
Small Business Administration			
Passed Through University of South Carolina Small Business Development Center	59.037	162,141	3,000
U.S. Department of Energy			
Passed Through SC University Research and Education Foundation University Reactor Infrastructure and Education Support	81.114	807,576	666,939
U.S. Department of Education			
Passed Through SC Department of Education Special Education Grants to States	84.027	103,428	6,000
State Grants for Innovative Programs	84.298	646	-
Mathematics and Science Partnerships	84.366	107,294	-
Total Passed Through State Agencies		1,307,882	679,011

SOUTH CAROLINA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Total Expenditures</u>	<u>Pass-Through Expenditures to Subrecipients</u>
Pass-Through Other Than State Agencies:			
U.S Department of Agriculture			
Passed Through Fort Valley State University Payments to Agricultural Experiment Stations Under the Hatch Act	10.203	4,827	-
Passed Through Tennessee State University Higher Education Challenge Grants	10.217	38,234	-
Passed Through Tennessee State University International Science and Education Grants	10.305	6,905	-
National Aeronautics and Space Administration			
Passed Through American Museum of Natural History Aerospace Education Services Program	43.001	139	-
U.S. Department of Energy			
Passed Through North Carolina State University University Reactor Infrastructure and Education Support	81.114	15,802	-
U.S. Department of Health and Human Services			
Passed Through National Youth Sports Program Fund Community Services Block Grant- Discretionary Award	93.570	1,199	-
Total Pass-Through Other Than State Agencies		67,106	-
Total Federal Assistance		\$ 62,861,402	\$ 2,242,004

SOUTH CAROLINA STATE UNIVERSITY
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of South Carolina State University (the "University") and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 - Summary of Significant Accounting Policies for Federal Award Expenditures

Expenditures for student financial aid programs include the federal share of student's Federal Supplemental Educational Opportunity Grant program grants and Federal Work Study program earnings, certain other federal financial aid for students and administrative costs allowances, where applicable.

Note 3 - Federal Perkins Loan Program (CFDA Number 84.038)

The Federal Perkins Loan Program is administered directly by the University and balances and transactions are included in of the University's financial statements. The balance of loans outstanding under the Federal Perkins Loan Program was \$1,729,614 as of June 30, 2008.

Note 4 - Federal Family Educational Loan Program

During the fiscal year ended June 30, 2008, the University processed \$31,939,486 of new loans under the Federal Family Educational Loan Program (CFDA#032).

The University is responsible only for the performance of certain administrative duties with respect to the Federal Family Educational Loan Program and, accordingly, these loans are not included on the University's financial statements; furthermore, it is not practical to determine the balance of loans outstanding to students and former students of the University under these programs at June 30, 2008.