STATE OF SOUTH CAROLINA
DEPARTMENT OF EDUCATION

MOLLY M. SPEARMAN
STATE SUPERINTENDENT OF EDUCATION

MEMORANDUM

TO: Brian J. Gaines, Executive Director
Executive Budget Office

FROM: Nancy W. Williams, CPA
Chief Financial Officer

DATE: September 29, 2017

RE: FY 17-18 – 3.1 Lottery Proviso Compliance

This memo serves as notification of compliance and planned procedures of lottery expenditures for the prior fiscal year. Please review the attached procedures related to monitoring lottery expenditures.

If other information is needed or you have questions, please do not hesitate to contact me at nwilliams@ed.sc.gov or 803-734-8108.

Attachment

Expenditure of Lottery Funds

PROCEDURE

Applicability:

This procedure relates to all lottery funds expended internally by the South Carolina Department of Education (SCDE), by South Carolina school districts, and by other entities.

Responsibilities:

For lottery funds expended internally by SCDE, the Office of Auditing Services (OAS) shall annually review the expenditure of lottery funds to ensure compliance and allowability of costs. This review will ensure the funds are expended in accordance with applicable state laws, rules, and regulations for the prior fiscal year to include South Carolina travel regulations and the S.C. Consolidated Procurement Code.

For lottery funds allocated to South Carolina school districts, the OAS will annually review the expenditure of lottery funds to ensure compliance and allowability of costs. The OAS will have guidance in the Annual Audit Guide for independent auditors concerning review of lottery funds. School districts provide detailed expenditures as a part of their audit submission due to the agency by December 1st annually. From this submission and the agency's standard risk assessment, a sample of districts may be requested to submit documentation to support expenditures incurred to ensure compliance with applicable state laws, rules, and regulations.

For lottery funds allocated to other entities, the OAS will annually review the expenditure of lottery funds to ensure compliance and allowability of costs. OAS will annually request the entities to provide reports on how lottery funds were expended. Entities may be requested to submit documentation to support expenditures incurred to ensure compliance with applicable state laws, rules, and regulations, including Proviso 117.21 if applicable.

References:

Act 284 of 2016, Provisos 3.1 and 117.21.