

Dayco Products, Inc. Scholarship Guidelines

Table of Contents:

1. Purpose of the Dayco Scholarship
2. Program Definitions for Administering the Dayco Scholarship at Eligible Institutions
3. Student Eligibility
4. Policies and Procedures for Awarding Dayco Scholarship Funds
5. Duration of Award and Continued Eligibility
6. Transfer Students
7. Military Mobilization
8. Students with Disabilities
9. Enrollment in Internships, Cooperative Work Programs, Travel Study Programs, or National or International Student Exchange Programs
10. Institutional Disbursement of Dayco Scholarship Funds
11. Refunds and Repayments
12. Program Administration and Audits
13. Suspension or Termination of Institutional Participation

Purpose of the Dayco Products Scholarship Program

In December, 1988, Dayco Products Inc., in Dayton, Ohio, contributed through the Governor's Office \$50,000 to be used as a scholarship fund to assist the State in reaching its educational goals and objectives. The award was divided between the Commission on Higher Education and the State Board for Technical and Comprehensive Education with the stipulation that each agency provide an equal amount of matching funds. The Commission proposed to match Dayco's contribution with \$25,000 from the agency's budget for FY1988-89, in order to establish a permanent endowment fund of \$50,000. The fund was to be managed for investment purposes by the State Treasurer, or in the event that the Commission establishes a private Foundation for this and similar purpose, by the Foundation.

The terms for the administration of the Dayco Scholarship stipulates that the "corpus" of the initial Dayco Scholarship Fund will be held intact. The annual earned interest on the fund, or \$3,000, whichever is less, may be awarded by the Commission as a Scholarship to a State resident attending an eligible institution in South Carolina. Income accruing to the fund in excess of \$3,000 annually cannot be expended for any purpose, but must be applied to the corpus of the fund. The Commission has the authority, on occasion as circumstances permit, to increase or decrease the amount of the annual award, or to make more than one award. However, no award made to any individual for a given year may exceed the normal and reasonable costs-of-attendance for the student.

Program Definitions

A. "Academic year" is defined as the twelve-month period of time during which a full-time student is expected to earn a minimum 3.0 cumulative GPA. The period of time used to measure the academic year will consist of the fall, spring and summer terms (or its equivalent).

B. "Annual credit hour requirement" shall be defined as twenty-four (24) credit hours earned at the end of the academic year based on initial college enrollment at an eligible institution. Credit hours earned before high school graduation, Advanced Placement (AP) credit hours, exempted credit hours, hours for remedial/developmental, continuing education, and non-degree coursework cannot be included in the count toward the annual credit hour requirement.

C. "Attempted credit hours" shall be defined as courses in which a student earns a grade and is included in the grade point calculation for that institution. Exempted credit hours, Advanced Placement (AP), College Level Examination Program (CLEP), remedial/developmental courses, non-degree credit courses for an associate's degree or higher and non-penalty withdrawal credit hours are excluded from the "attempted credit hours."

D. "Bachelor's degree program" is defined as an undergraduate program of study leading to the first bachelor's degree as defined by the U.S. Department of Education.

E. "Cost-of-attendance" as defined by Title IV Regulations and may include tuition, fees, living expenses, and other expenses such as costs related to disability or dependent care.

F. "Degree-seeking student" is defined as any student enrolled full-time in a program of study that leads to the first bachelor's degree or a program of study that is structured so as not to require a bachelor's degree at an eligible independent or public institution.

G. "Eligible institution" shall be defined, as an accredited public or independent postsecondary, degree-granting institution located in-state. The institution must be accredited by an agency recognized by the U.S. Department of Education for participation in federally funded financial aid programs. This list may be found on the U.S. Department of Education's website.

H. "Eligible program of study" is defined as a program of study leading to: 1) at least a one-year educational program that leads to a first certificate or other recognized educational credential (e.g., diploma); 2) the first associate's degree; 3) at least a two-year program that is acceptable for full credit towards a bachelor's degree; 4) the first bachelor's degree; or 5) a program of study that is structured so as not to require a bachelor's degree for acceptance into the program and leads to a graduate degree.

I. "Felonies" shall be defined as crimes classified under State statute (Section 16-1-10) for which the punishment in federal or state law and typically requires imprisonment for more than one year.

J. "For graduation purposes" is defined as any grade or credit hour that the home institution requires in accordance with their policies and procedures for graduation of the student, including electives and additional coursework.

K. "Full-time student" shall mean a student who has matriculated into a program of study leading to the first bachelor's degree or a program of study that is structured so as not to require a bachelor's degree and leads to a graduate degree and who enrolls full-time, usually twelve credit hours, for fall and spring terms. In order for the student to be eligible for Scholarship disbursement, the student must be enrolled full-time at the home institution as stipulated by Title IV Regulations, except that credit hours may not include remedial/developmental coursework.

L. "General Educational Development (GED) Diploma" is defined as a GED high school diploma that was completed in South Carolina or outside of the state while the student was a dependent of

a legal resident of South Carolina who had custody or paid child support and college expenses of the dependent GED diploma student. A student who earns a GED diploma cannot receive a Dayco Scholarship.

M. "High school" shall be defined as a public or private high school located within South Carolina, an approved homeschool program as defined in relevant State Statute (Sections 59-65-40, 45, and 47) or a preparatory high school located outside of the State while the student is a dependent of a legal resident of South Carolina who has custody or pays child support and college expenses of the dependent high school student in accordance with Section 59-112-10. A "preparatory high school" (out-of-state) is defined as a school recognized by the state in which the school is located to offer curricula through the twelfth grade and prepares students for college entrance.

N. "Home institution" shall be defined as the institution where the student is currently enrolled as a full-time degree-seeking student and may be eligible for financial aid at the same institution.

O. "Independent institutions" are defined as those four-year 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" or an independent bachelor's level institution chartered before 1962 whose major campus and headquarters are located within South Carolina. Two-year independent institutions are not eligible to participate.

P. "Misdemeanor offenses" shall be defined as crimes classified under State statute (Section 16-1-100), less serious than felonies, and are typically punishable by fine or imprisonment for less than one year. A complete listing is located under Title 16 of State statute. Examples of alcohol and/or drug-related misdemeanor offenses in South Carolina include, but are not limited to, possession of alcohol under the age of 21, possession of marijuana/illegal drugs, open container, transfer of alcohol to persons under 21, providing false information as to age (fake identification), etc.

Q. "Military mobilization" is defined as a situation in which the U.S. Department of Defense orders members of the United States Armed Forces to active duty away from their normal duty assignment during a time of war or national emergency.

R. "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 the educational costs. For Federal Student Aid Programs, the need analysis system is defined under Title IV of the Higher Education Act of 1965.

S. "Needy student" shall mean a post-secondary student enrolled in or accepted for enrollment in a public institution who demonstrates to the institution the financial inability, either parental, familial, or personal, to bear the total cost-of-attendance for any regular academic semester. The determination of need shall be made in accordance with Federal need analysis formulae and provisions.

T. "Program of study that is structured so as not to require a bachelor's degree" shall be defined as a program of study that is structured so as not to require a bachelor's degree for acceptance into the program and leads to a graduate degree, which will be the student's first academic degree

awarded as defined by the U.S Department of Education. Students are eligible to receive the Scholarship for a maximum of eight terms (or its equivalent) as long as all other eligibility criteria are met and the program is approved by the Commission on Higher Education. Students who have been awarded a bachelor or graduate degree are not eligible for Scholarship funding.

U. "Public institutions" are institutions of higher learning as defined in Chapter 103 of Title 59 of the 1976 Code, which stipulates "public higher education shall mean any state supported postsecondary educational institution and shall include technical and comprehensive educational institutions."

V. "Regular academic year" is defined as the twelve-month period of time during which a full-time student is expected to earn twenty-four credit hours. The period of time used to measure the regular academic year will consist of only the fall and spring terms (or its equivalent).

W. "Remedial/developmental coursework" shall be defined as sub-collegiate level preparatory courses in English, mathematics, reading, or any other course deemed remedial by the institution where the course is taken.

X. "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, Section 59-112-10, and all related guidelines and regulations promulgated by the Commission on Higher Education as determined by the institutional residency officer each academic year.

Y. "Transfer student" is defined, for the purposes of this Scholarship, as a student who has changed full-time enrollment from a four-year or two-year institution to another eligible independent or public institution.

Student Eligibility

A. To be eligible for the Dayco Scholarship each academic year, the student must:

1. Be either an employee or a dependent of an employee of a branch of Dayco Products, Inc. located in South Carolina. Employee must be employed by Dayco for at least four calendar years;
 - a. In the event that there are no candidates who meet the eligibility criteria as established in A1, the recipient(s) must be a resident of one of the counties of Walterboro, Williston, or Easley whereby a plant of Dayco Products, Inc. is located in this state.
2. Be a U.S. citizen or a permanent resident that meets the definition of an eligible non-citizen under State Residency Statute;
3. Be a resident of the state of South Carolina for a minimum of 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, unless the student qualifies for an exception as defined in the residency regulation promulgated by the Commission on Higher Education;

4. Be a "needy student" following the financial need analysis as established under Title IV Regulations for determining eligibility for Federal Student Aid. The student must file the Free Application for Federal Student Aid (FAFSA) Form;
 5. Earn a cumulative 3.25 grade point average (GPA) based on the Uniform Grading Scale (UGS) upon high school graduation. No other grading policy will be allowed to qualify for the Dayco Scholarship. Grade point averages must be reported to two decimal places (minimum) and may not be rounded. For example, a student who earns a 3.24 GPA is not eligible.
 6. Rank in the top twenty percent of the graduating class consisting of high school diploma candidates only. The rank must also be based on the UGS only. Ranking percentages must be reported to two decimal places (minimum) and may not be rounded. For example, a student who has a class rank of 17 of 83 ($17/83 \times 100 = 20.48\%$) will not rank in the top twenty percent of the class since 20.48% is not within twenty percent. To determine the top twenty percent for graduating classes with three or less students, the student who is ranked number one in the class would be considered in the top twenty percent for Dayco Scholarship eligibility. Institutions shall use the final ranking as reported by the high school on the official transcript. If a student is a member of an approved home school association that ranks, a ranking report must be attached to the official transcript.
 7. Be enrolled or accepted for enrollment as a full-time, degree-seeking student in an eligible program of study at an eligible institution in South Carolina;
 8. Be enrolled and attending or have completed at the time of the scholarship disbursement in a minimum of twelve credit hours as a full-time student for the semester;
 9. 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 will lose the Scholarship for one year after the date of the adjudication, conviction or plea and cannot be reimbursed for the period of time the award was lost;
 10. Verify 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
 11. Must reapply for the Dayco Scholarship each academic year and meet all eligibility requirements annually.
- B. Students enrolled full-time may not receive a Dayco Scholarship for more than a maximum of eight full-time equivalent semesters (Refer to Section 9 above, regarding lost of Dayco Scholarship). Students who have earned a GED diploma, who have already been awarded their first baccalaureate degree, or who are attending graduate school are not eligible to receive a Dayco Scholarship.

C. Dayco Scholarship funds may not be applied to the cost of continuing education, remedial/developmental or non-degree credit courses for an associate's degree or higher. Twelve credit hours of the courseload must be non-remedial/developmental, non-continuing education or degree-credit courses for an associate's degree or higher in order to receive Dayco Scholarship funds. Continuing education, non-degree credit for an associate's degree or higher and remedial/developmental courses will not be included in the credit hour calculations.

D. Any false information provided by the student or any attempt to obtain or expend any Dayco Scholarship funds for unlawful purposes or any purpose other than in payment or reimbursement for the cost-of-attendance at the institution authorized to award the scholarship will be cause for immediate cancellation of the Dayco Scholarship. Any student who has obtained a Dayco Scholarship 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 Dayco Scholarship.

Policies and Procedures for Awarding the Dayco Scholarship

A. The Dayco Scholarship for the institutions will be administered by the Commission on Higher Education. Scholarship funds will supplement the student financial aid awards administered by the participating eligible colleges and universities.

B. The recipients of the Dayco Scholarship shall be determined by the Dayco Scholarship Committee, and notified by the Director of the Student Services Division of the Commission on Higher Education.

C. Financial need shall be the primary selection criteria, and scholastic ability the secondary criteria of the Dayco Scholarship Committee.

D. The participating institution will make awards in amounts to be defined in accordance with the Dayco Scholarship regulation and criteria, but not to exceed the cost-of-attendance per eligible full-time student per academic year, based on other financial aid awarded to individual applicants. However, the Commission, due to the availability of funds or other relevant factors, may periodically adjust the maximum award for the Dayco Scholarship. Half of the grant shall be disbursed during the fall semester and half disbursed during the spring semester, assuming continued eligibility.

E. Dayco Scholarship funds are to be used only towards payment for the cost-of-attendance as defined by Title IV Regulations for the academic year for which the award is made at the designated institution. The maximum amount awarded shall not exceed the cost-of-attendance as defined in Title IV Regulations for any year.

F. In determining the amount awarded for the Dayco Scholarship, all other sources of gift aid, including Federal, State, private and institutional funds, must be applied to the total cost-of-attendance in accordance with Title IV Regulations before calculating the unmet need and awarding the Scholarship. The Dayco Scholarship shall be awarded only after all other sources of gift aid have been exhausted. Adjustments to the financial aid package will be made to the LIFE Scholarship in order to prevent an over-award.

G. The Commission on Higher Education will notify students of their Dayco Scholarship award along with the terms and conditions of the award.

H. The institution and the Commission on Higher Education must retain annual paper or electronic documentation for each 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 misdemeanor offenses as stated under “Student Eligibility” and “Duration of Award and Continued Eligibility” Sections;
3. Documentation verifying that the student is an employee or a dependent of an employee of Dayco Products, Inc. for at least four calendar years;
4. Award notification;
5. Institutional disbursement to student;
6. Refund or repayment (if appropriate);
7. Satisfactory academic progress;
8. Student’s residency status;
9. Enrollment and curriculum requirements;
10. Student’s disability (if appropriate);
11. Student is in custody of DSS (if appropriate);
12. Student award based upon approval of institutional appeal (if appropriate);

I. It is the Commission’s and institution’s responsibility to ensure that only eligible students receive a Dayco Scholarship.

Duration of Award and Continued Eligibility

A. Dayco Scholarships shall be awarded each academic year. The Commission shall adjust the amount of the scholarship award during the academic year in the event of a change in the student's eligibility.

B. Dayco Scholarships may be awarded annually for no more than a total of eight full-time equivalent semesters of full-time study at a four-year institution, and for no more than four full-time equivalent semesters of full-time study at a two-year institution. Award decisions will be made annually and are not automatically guaranteed. Students who have already been awarded their first baccalaureate degree or graduate degree are not eligible to receive a Dayco Scholarship.

C. Students must reapply each academic year for a Dayco Scholarship in accord with these guidelines and other pertinent statutes and regulations and with application timeliness and procedures stipulated by the participating institution. Students applying for a Dayco Scholarship must complete a FAFSA Form and be a needy student. The student must also complete any supplemental forms that may be required by the institution.

D. The institution shall be responsible for securing institutional certification of each recipient's cumulative grade point average, credit hours attempted and earned, and satisfactory academic progress for purposes of determining eligibility for award renewal.

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

1. For graduation purposes, earn at least 24 credit hours each regular academic year as a full-time degree-seeking student. If a student is awarded a Dayco Scholarship for only one semester of the academic year, the student must earn at least twelve credit hours each regular academic year as a full-time degree-seeking student. Credits earned during any additional semesters (i.e., interim, winterim, maymester, summer or other non-regular semester) cannot be used to replace, increase or reduce the minimum credit hour requirement for the regular academic year; and

2. Earn at least a cumulative 3.0 GPA on a 4.0 scale for graduation purposes by the end of each academic year. Students may attend summer session(s) to increase their cumulative GPA to maintain the Dayco Scholarship.

F. Students wishing to appeal any scholarship award decision must submit a written request to the Commission on Higher Education. This request will be handled in accordance with the Commission appeal guidelines and procedures. The Commission's decision on appeals shall be final.

Transfer Students

- A. Transfer students who receive the Dayco Scholarship and transfer at the end of the academic year to another institution may be eligible to receive the Scholarship for the fall term if the student earned a cumulative 3.0 GPA at the end of the previous academic year and a minimum of 24 credit hours at the end of the previous regular academic year.
- B. Transfer students who receive the Dayco Scholarship and transfer mid-year to another institution may be eligible to receive the Scholarship for the spring term if the student:
 - 1. Earned a cumulative 3.0 GPA at the end of the previous academic year and a minimum of 24 credit hours at the end of the previous regular academic year; and
 - 2. Earned a minimum cumulative 3.0 GPA and a minimum of 12 credit hours by the end of the fall term.
- C. Freshmen who transfer mid-year to another institution must earn a minimum cumulative 3.0 GPA and a minimum of 12 credit hours by the end of the fall term.
- D. For eligibility in subsequent years, transfer students must earn a cumulative 3.0 GPA and meet the annual credit hour requirement (or its equivalent) at all eligible institutions by the end of the academic year based on initial college enrollment.
- E. The institution where the student is transferring will determine the classification of the entering transferring student based on initial college enrollment and will use this classification to determine the remaining terms of eligibility in compliance with the "Duration of Award and Continued Eligibility" Section.

Military Mobilization

A. Service members who are enrolled in college and are affected by military mobilizations will not be penalized for the term they are required to withdraw after the full refund period based on

the institutional policies and procedures. Institutions are strongly encouraged to provide a full refund of required tuition, fees and other institutional charges or to provide a credit in a comparable amount against future charges for students who are forced to withdraw as a result of military mobilization. Additionally, the term(s) that the service member is mobilized will not count against the maximum terms of eligibility. The service member shall be allowed to receive the unused terms while mobilized during the succeeding summer or at the end of the maximum terms of eligibility based on initial college enrollment (provided the service member meets continued eligibility requirements). The service member must re-enroll in an eligible institution within twelve months upon their demobilization and provide official documentation to verify military deployment to the institutional Financial Aid Office and to the Commission on Higher Education upon re-enrollment. Reinstatement will be based upon the service member's eligibility at the time he/she was mobilized. If the student re-enrolls after the twelve month period, the service member must submit an Appeal Application to the Commission on Higher Education by the established deadline in order to be considered for reinstatement.

B. Service members who are enrolled in college and are mobilized for an entire academic year may renew the scholarship for the next academic year, if they met the eligibility requirements at the end of the prior academic year. Service members who did not use Dayco Scholarship funds/terms of eligibility during this period due to military mobilization shall be allowed to receive Dayco Scholarship funds during the succeeding summer or at the end of the maximum terms of eligibility based on initial college enrollment (provided the service member meets continued eligibility requirements).

C. Service members who are enrolled in college and are mobilized for one academic term must complete twelve credit hours and earn a cumulative 3.0 GPA by the end of the academic year to be eligible for scholarship renewal for the next academic year. Service members who did not use Dayco Scholarship funds/terms of eligibility during this period shall be allowed to receive the scholarship during the succeeding summer or at the end of the maximum terms of eligibility based on initial college enrollment (provided the service member meets the continued eligibility requirements).

D. In order to receive the Dayco Scholarship for summer school for the unused term(s), the service member must enroll in twelve credit hours during the succeeding summer term at the home institution. For service members who enroll in summer school and one other term of the academic year, the service member must earn a total of twenty-four credit hours (or its equivalent) for the academic year. In order to maintain eligibility for the next academic year for service members who only attend summer school, the member must earn twelve credit hours and a cumulative 3.0 GPA during the academic year. The service member must meet all eligibility requirements as specified in the "Continued Eligibility" Section, except for the completion of the twenty-four credit hour requirement for the academic year.

E. The home institution will be responsible for receiving verification of military mobilization status, Cumulative grade point average, credit hours earned and terms of eligibility based on the service member's initial college enrollment and eligibility for Scholarship renewal for the next academic year.

F. Service members of the United States Armed Forces will not be penalized for any credit hours earned while on military mobilization. The credit hours earned will not count against the terms of eligibility, but will be used toward the annual credit hour requirement for the Dayco Scholarship.

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 the “Student Eligibility” Section except for a student who is approved by the Disability Services Provider to be enrolled in less than full-time status is eligible to receive scholarship funding. Students must comply with all institutional policies and procedures in accordance with the 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 “Duration of Award and Continued Eligibility” Section 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 full-time status for that academic year. Students must earn the required number of hours approved by the institutional Disability Services Provider each academic year for scholarship renewal and earn a minimum 3.0 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 and the Commission on Higher Education each academic year verifying that the student is approved to be enrolled in less than full-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 semesters and available funds.

Enrollment in Internships, Cooperative Work Programs, Travel Study Programs, or National or International Student Exchange Programs

A. Students enrolled in internships, cooperative work programs, travel study programs, or National or International Student Exchange Programs that are approved by the home institution and that the home institution accepts as full-time transfer credit are eligible to receive Dayco Scholarship funds during the period in which the student is enrolled in such programs. Students will be required to meet the continued eligibility requirements.

B. Eligible students may use the appropriated portion of the Dayco Scholarship funds for internships, cooperative work programs, travel study programs or National or International Student Exchange Programs that are approved by the home institution and that the home institution accepts as full-time transfer credit. Dayco Scholarship funds must be paid directly to the student’s account at the home institution and cannot exceed the cost-of-attendance at the home institution or the cost-of-attendance at the host institution, whichever is less. The Commission on Higher Education will not transfer scholarship funds directly to the institution where the student will participate in internships, cooperative work programs, travel study programs or National or International Student Exchange Programs. The institution is responsible for scholarship funds according to the “Policies and Procedures for Awarding” Section.

C. Students who enroll in one academic term at the home institution and also enroll in an internship, cooperative work program, travel study program or National or International Student Exchange Program that are approved by the home institution and that do not award full-time transfer credit during the same academic year, must complete twelve credit hours and earn a

cumulative 3.0 GPA by the end of the academic year to be eligible for scholarship renewal for the next academic year. Students who did not use the entire award for the Dayco Scholarship during this period will not be allowed to receive Dayco Scholarship funds during the succeeding summer or at the end of the maximum terms of eligibility.

D. For students enrolled in an internship, cooperative work program, travel study program or National or International Student Exchange Program during the entire academic year that is approved by the home institution but does not award full-time transfer credit for the entire academic year, scholarship renewal for the next academic year will be based on the prior year's eligibility. Students who did not use the entire award for the Dayco Scholarship during this period will not be allowed to receive Dayco Scholarship funds during the succeeding summer or at the end of the maximum terms of eligibility.

E. The home institution will be responsible for obtaining official certification of the student's grade point average, credit hours earned, and satisfactory academic progress for the purposes of determining eligibility for scholarship renewal for the next academic year.

Institutional Disbursement of Dayco Scholarship Funds

A. The Commission on Higher Education will identify award amounts, which cannot exceed the cost-of-attendance per eligible full-time student per academic year. Half of the grant shall be disbursed during the fall semester and half disbursed during the spring semester, assuming continued eligibility. The maximum amount, which may be received by a recipient for eight full-time equivalent semesters, will vary annually depending on the availability of funds and shall be for students seeking their first baccalaureate degree or a program of study that is structured so as not to require a baccalaureate degree and leads to a graduate degree. Students who have obtained an associate's degree initially are eligible to apply for a Dayco Scholarship upon enrollment in their first baccalaureate degree or a program of study that is structured so as not to require a baccalaureate degree. Students who have obtained a recognized educational credential in a one-year program initially are eligible for application for a Dayco Scholarship upon enrollment in their first associate's degree, first baccalaureate degree, or a program of study that is structured so as not to require a baccalaureate degree and leads to a graduate degree.

B. A Dayco Scholarship may not be applied to a second baccalaureate degree or to graduate coursework, unless the graduate coursework is required as part of a program of study that is structured so as not to require a baccalaureate degree as defined in the "Program Definitions" Section.

C. The Commission shall provide an award notification each academic year to Dayco Scholarship recipients, which will contain the terms and conditions of the scholarship. Students will be notified of adjustments in financial aid due to changes in eligibility and/or availability of scholarship funds. The Commission on Higher Education, for documentation purposes, requires that each recipient provides verification of acceptance of the Dayco Scholarship.

D. After the last day to register for each semester of the academic year, the institution will verify enrollment of each recipient as a South Carolina resident that is a full-time degree-seeking student. According to the Scholarship and Grant Programs Policies and Procedures Manual, a listing of eligible recipients by social security number with the award amounts for the semester will be sent to the Commission on Higher Education. A year-end reconciliation report will be

submitted to the Commission on Higher Education prior to June 30th. Any unused funds shall be refunded to the Commission on Higher Education no later than June 30th of each fiscal year.

Refunds and Repayments

A. In the event a student who has been awarded a Dayco Scholarship withdraws, is suspended from the institution, or drops below full-time (twelve credit hours) status during any regular semester of the academic year, institutions must reimburse the Commission for the amount of the scholarship for the semester(s) in question pursuant to refund policies of the institution. Collection is the responsibility of the institution.

Program Administration and Audits

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 regulation and rules, any audits, or other statewide oversight of the Dayco Scholarship as deemed necessary to monitor the expenditure of scholarship funds.

B. According to the Audit Policies and Procedures for Scholarship and Grant Programs Manual, all eligible institutions that participate in the program must abide by program policies, rules or regulations. Institutions also agree to maintain and provide all pertinent information, records, reports, or any information as may be required or requested by the Commission on Higher Education to ensure proper administration of the scholarship.

C. Where the initial allocation exceeds the need 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 semester of the academic year shall be returned to the Commission for redistribution.

Suspension or Termination of Institutional Participation

A. The Commission may review institutional administrative practices to determine institutional compliance with pertinent statutes, guidelines, rules or regulations. If such a review determines that an institution has failed to comply with program statutes, guidelines, rules or regulations, the Commission may suspend, terminate, or place certain conditions upon the institution's continued participation for Dayco Scholarship eligibility and require reimbursement to the Commission on Higher Education for any funds lost or improperly awarded.

B. Upon receipt of evidence that an institution has failed to comply, 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 any relevant statutes, guidelines, rules, and regulations.