Accountability Report Transmittal Form

Agency Name ___________SC Secretary of State________________________________

Date of Submission _______September 14, 2007__________________________________

Agency Director ________ Secretary of State Mark Hammond_______________________

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SOUTH CAROLINA SECRETARY OF STATE

2006-2007 ACCOUNTABILITY REPORT

SEPTEMBER 14, 2007

Secretary of State
2006-2007 Accountability Report

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I- EXECUTIVE SUMMARY

1. Mission and Values

As set forth by the South Carolina Code of Laws, the Secretary of State is responsible for the statewide registration of corporations, Uniform Commercial Code interests, business opportunities, employment agencies, trademarks, notaries, and processing requests for cable franchise authority. The office handles the incorporation of municipalities and special purpose districts, the annexations of land, and the escheatment of real property in South Carolina. The Secretary of State is also the administrator and regulator of the Solicitation of Charitable Funds Act, and handles the publication of positions within certain statewide boards and commissions.

MISSION STATEMENT

The mission of the Office of the Secretary of State is simple: **to provide the taxpayer with the best return on their investment in state government**. The Secretary of State's office accomplishes this goal two ways. First, the office strives to provide the most efficient, innovative, and cost effective means of registering, administering, maintaining, and disseminating information to the taxpayers. Second, the office regulates the appropriate areas using the most effective and advanced tools available. Our goal continues to be 100 percent customer satisfaction.

2. Major Achievements

This was an exciting year for the Secretary of State's office. Throughout FY 06-07 we continued to assemble a management team that would further the mission of the office and bring about positive change. Many fundamental changes occurred which will enable long term success of the goals of the office.

Many of the office changes took place at the administration level. These changes were necessary to address critical infrastructure issues that will foster the productive environment needed for an office with such a high work volume.

In FY 06-07 the Secretary of State's Office continued to focus on improving customer service and efficiency. As in previous years, in FY 06-07 the agency returned more than five times its appropriations to the General Fund, $5,455,069. The agency continues to achieve cost savings whenever possible. Customer service continues to be the primary focus. The agency is developing technology solutions as part of an ongoing project to reduce the response time to our customers.

The Secretary of State's Office is primarily a customer service agency with some regulatory roles. In FY 06-07, the office processed 243,669 filed documents, and responded to over 95,000 phone calls concerning the office. With this high level of demand, the Secretary of State understands that constant improvements in technology are required to maintain excellent customer service. In FY 06-07 the office again focused its attention on e-government. Major achievements are listed below by division.

Human Resources

- The new management team worked to put in place human resource polices and procedures that would provide employees direction and growth opportunities.
- Steps were taken to utilize the Office of Human Resource's HRIS mainframe system for classification and compensation, leave records, and vacancy postings.
- All employees were provided with updated position descriptions and EPMS documents.
- Management sponsored numerous employee appreciation initiatives as well as provided an avenue to recognize employees who perform well.
- All employees have been provided with cross training plans to ensure maximum growth opportunities and productivity.

Technology

- Steps were taken to enhance the technology infrastructure at the agency including a secure domain and internal server.
- All employees were provided with an email account to facilitate communication.
- The agency initiated the e-leave system to track all employee annual and sick leave electronically reducing the administrative burden.
- Management worked with consultants to determine infrastructure needs and began the process of identifying and prioritizing technology projects.
- The agency obtained the needed hardware to host its own website to allow for faster updates and more cost effectiveness.
- The agency began utilizing the state web portal (SC.Gov) for the dissemination of agency press releases.

Business Filings

- In 2006-07 the office continued to see a high volume of Uniform Commercial Code (UCC) documents, processing over 129,000 documents. The South Carolina Code of Laws places responsibility on the Secretary of State's office for the processing of all UCC filings for the State of South Carolina. The agency processes these documents within 24 hours.
- Expanded South Carolina Business One Stop (SCBOS) allowing existing businesses to file on line in addition to the newly created businesses that were previously using the SCBOS system. This project has resulted in unprecedented partnerships among agencies including new state agency partners.
- Responded to over 3,000 SCBOS telephone calls from customers needing assistance with their business filings.
- Celebrated the second anniversary of SCBOS.

- Continued providing a Business Filings phone room as many customers still wish to talk to a staff member or need more in depth assistance.

Charities

- Enactment of Senate Bill 268, which simplifies the filing process for charities filing in South Carolina, and raises the exemption amount for smaller charitable organizations.
- Provided an online charities database that allows donors to research charities and discern what percentage of the donor's contributions the charities allotted to their charitable causes.
- Continued the Secretary of State's Nonprofit Advisory Council to improve relations with charities and fundraisers and to facilitate educated giving for donors.
- Published our annual Scrooges and Angels list, identifying those charities that spend most of their resources on their charitable cause and those charities that spend little or none of donors' contributions on their charitable cause.
- Produced public service announcements during the holiday season encouraging citizens to give wisely when donating to charitable causes.
- Collected $153,261 for violations of the Solicitation of Charitable Funds Act.
- Banned a telemarketer from the State for ninety days and required the telemarketer to utilize a recording system to monitor calls nationwide which will protect charitable donors in South Carolina and other states.
- Revised the suspended charities database to provide information to customers that is easier to understand and more accurate.

T**rademarks**

- Fiscal year 06-07 was the first full year since enactment of H3051 which revised the trademark law to include felony provisions for persons distributing or trafficking in counterfeit goods. This law permits coordination with the Department of Revenue and allows the Secretary of State to initiate investigations, with provisions for seizure and forfeiture of counterfeit property.
- Worked with local and federal law enforcement to enforce trademark laws and confiscate more than **$3.5 million** in counterfeit goods. In addition, these enforcement actions also resulted in 36 arrests.

Cable Franchise Authority

- Implementing the new South Carolina Competitive Cable Services Act (H4428) has provided a new challenge to the office which has been met with exceptional response time. The agency has met the stringent statutory guidelines with a compliance rate of 100 percent.
- In FY 06-07 the agency processed cable franchising applications affecting all 296 municipalities in South Carolina.

Notaries

- The agency continued our free statewide notary seminars, educating notaries on the legal and professional responsibilities of being a notary public. Attendance exceeded 1,100 individuals in FY 06-07.

The office provides the most efficient, innovative, and cost effective means of registering, administering, maintaining, and disseminating filed information. Second, the office regulates its charities and employment agency divisions with the most effective and advanced tools available, keeping in mind our professional and ethical duties as a regulator. The Office of the Secretary of State's primary goal will always be 100 percent customer satisfaction.

3. Key Strategic Goals for Present and Future Years

Strategic or Long-Term Goals:

(1) Provide responsive and efficient customer service while fulfilling those duties set forth by the General Assembly for the benefit of all South Carolinians.

(2) Provide technology infrastructure and solutions for the efficient operation of the office to serve customers in the most efficient manner.

(3) Enhance the regulation of public charities in South Carolina to ensure citizens have the best possible information when contributing funds to a charitable organization.

4. Opportunities and Barriers

The staff of the Secretary of State's Office is extremely excited about the new information technology initiatives in place. Staff worked with IT consultants throughout FY 06-07 to enhance the technology infrastructure in the office. These initiatives included implementation of a secure domain, email enhancements, hosting of the agency website, a complete evaluation of existing systems, and determination of future technology needs. This evaluation brings opportunities to make expanded electronic filing services and document retrieval a real possibility for FY 07-08. The enhancements will also include providing the capability to file online with the agency's Division of Public Charities.

5. The Accountability Report

The annual accountability report has resulted in the use of more strategic planning and requires that management do an in-depth evaluation of all agency processes. The report process provides opportunities to improve office operations to allow more efficient processing of documents. Over time, data gathered for the report will be instrumental in managing resources and ensuring the highest possible return on investment to the State of South Carolina.

II- ORGANIZATIONAL PROFILE

1. Main Products and Services

The Secretary of State is responsible for:

- the statewide registration of domestic and foreign corporations, limited liability companies, limited partnerships, limited liability partnerships, non-profit corporations and business trusts;
- filing of Uniform Commercial Code security interests;
- registration of charitable organizations soliciting in South Carolina;
- regulation and investigation of those persons soliciting charitable donations in South Carolina;
- registration of employment agencies;
- registration of state trademarks;
- investigation of counterfeit marks;
- registration of notaries public, boards and commissions;
- acceptance of service of process primarily for foreign corporations not authorized to do business in South Carolina;
- registration of business opportunities; and
- issuing cable franchise authority applications and certificates.

The office also handles in varying aspects:

- municipal incorporations;
- special purpose districts;
- annexations of land; and,
- escheatment of real and personal property.

2. Key Customers

The Secretary of State's customer base is broad, primarily consisting of:

- taxpayers;
- the business community;
- the legal community;
- the banking community;
- corporate service companies;

- notaries public;
- charities;
- employment agencies; and,
- local and state government.

3. Key Stakeholders

All citizens of South Carolina including:

- taxpayers;
- the business community;
- the legal community;
- the banking community;
- corporate service companies;
- notaries public;
- charities;
- employment agencies; and,
- local and state government.

4. Key Suppliers

Since our office is primarily a paper-based filing office, most of our suppliers are office product vendors ranging from paper suppliers to office machine maintenance companies. Where feasible we utilize registered small and minority businesses in South Carolina and state printing services.

5. Our Location

Suite 525 of the Edgar Brown Building 1205 Pendleton Street, Columbia, SC 29201

6. Employees

As of June 30, 2007 we had the following staff:

- 25 full time employees in FTE positions
- 3 full-time hourly employees
- 1 part-time hourly employee
- 4 college interns

7. Regulatory Environment

- South Carolina Code of Laws and Regulations

8. Key Strategic Challenges

A major challenge for the office is managing the customer demands for service without substantially increasing resources and staff. We operate in a unique environment where workflow and customer demand fluctuate based on economic conditions and the needs of the business community. Staffing and allocating resources to meet these ever-changing demands are always a challenge.

Another strategic challenge facing the office is the storage of permanent records. Due to the volume of filings processed, the office requires large amounts of storage space which is not economical. Staff continues to work with the State Department of Archives and History and researching microfilm options for record storage.

9. Performance Improvement System

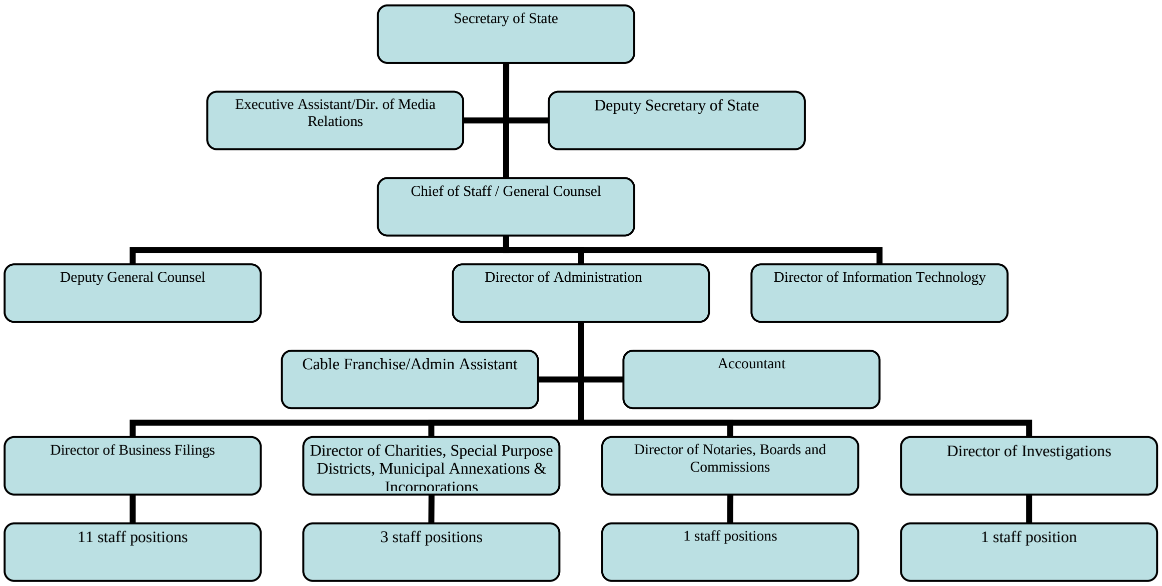
Our popular notary public training seminars continued in 2006-07. These seminars were held throughout the state, for free, and focused on educating notaries about the responsibilities, duties and potential liabilities of being a notary public. Seminars were conducted throughout the state to allow accessibility for all South Carolinians. Over 1,100 individuals attended these seminars, and the overwhelming response was extremely positive. Results were measured based on evaluation forms that all attendees were encouraged to fill out.

The office continues to improve operations by contracting with a technology firm to automate as many functions as possible and provide superior customer service. The Secretary of State's office is in the process of placing all our databases on our website to allow customers direct access to current and historical information.

Through the South Carolina Business One Stop (SCBOS) we continue to offer e-government opportunities to our customers, and this service is growing. Through our partnership with the Department of Revenue we have made improvements to the system and continue to offer more filing options through this avenue.

In 2006-2007, the Business Filings Division will continue its customer service phone room for quick information or document orders. Although our website offers our databases and the majority of our customers use the site for information instead of calling, we have found many customers still prefer to call. While we will maintain this service as needed, we intend to expand the information available to customers on our webpage. In addition, we plan to update all filing forms to reduce the number of errors made by customers when completing the forms to enable the office to process the information in a timely manner.

10. Organizational Structure



11. Expenditures/Appropriations Chart

Accountability Report Appropriations/Expenditures Chart

Base Budget Expenditures and Appropriations

Major Budget Categories	FY 05-06 Actual Expenditures		FY 06-07 Actual Expenditures		FY 07-08 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	$ 1,124,740	$ 692,716	$ 1,118,225	$ 666,967	$ 1,170,038	$ 739,799
Other Operating	$ 463,556	$ 23,600	$ 450,997	$ 69,065	$ 741,297	$ 166,496
Special Items						
Permanent Improvements						
Case Services						
Distributions to Subdivisions						
Fringe Benefits	$ 291,272	$ 183,603	$ 303,476	$ 192,039	$ 314,715	$ 206,360
Non-recurring	$					
Total	$ 1,879,568	$ 899,919	$ 1,872,698	$ 928,070	$ 2,226,050	$ 1,112,655

Other Expenditures

Sources of Funds	FY 05-06 Actual Expenditures	FY 06-07 Actual Expenditures
Supplemental Bills	$ -	$ -
Capital Reserve Funds	$ 3,310	$ -
Bonds	$ -	

12. Major Program Areas Chart

Major Program Areas

Program Number and Title	Major Program Area Purpose (Brief)	FY 05-06 Budget Expenditures	FY 06-07 Budget Expenditures	Key Cross References for Financial Results*
I Administration	Corporate and UCC filings; charity and fundraiser regulation; administration of notary laws; regulation of trademarks; administration of municipal incorporation, annexation and special purpose districts laws.	**State: $ 899,918.00** **Federal: 0.00** **Other: $979,649** **Total: $1,879,568** **100% of Total Budget:**	**State: $928,070** **Federal: 0.00** **Other: $944,628** **Total: $1,872,698.01** **100% of Total Budget:**	Category 7 section 3

Below: List any programs not included above and show the remainder of expenditures by source of funds.

* Key Cross-References are a link to the Category 7 - Business Results. These References provide a chart number that is included in the 7th section of this document.

MALCOLM BALDRIDGE CRITERIA

Category 1 – Leadership

1. *How do senior leaders set, deploy, and ensure two-way communication for: a) short and long term direction and organizational priorities, b) performance expectations, c) organizational values, d) empowerment and innovation, e) organizational and employee learning, and f) ethical behavior?*

Senior management was restructured to include more oversight and accountability through the addition of the Chief of Staff position. The position is charged with increasing office communication and productivity. The position serves as a conduit for change through implementation of increased staff performance requirements, additional training opportunities, and improved employee relations.

2. *How do senior leaders establish and promote a focus on customers and other stakeholders?*

Our most important organizational goal is providing superior customer service to all stakeholders and communicating this expectation to all staff on a daily basis. In addition, management leads by example in responding to inquiries from the public and other officials.

3. *How does the organization address the current and potential impact on the public of its products, programs, services, facilities and operations, including associated risks?*

The office maintains high workflow standards to ensure that documents are processed in a timely manner and that the business community receives the required services.

4. *How do senior leaders maintain fiscal, legal, and regulatory accountability?*

Fiscal, legal, and regulatory accountability are maintained through adherence to all state and federal codes, regulations, and policies including utilizing the state procurement, accounting and human resource systems.

5. *What key performance measures are regularly reviewed by your senior leaders? (Actual results are to be reported in Category 7).*

Data accuracy, processing times, employee performance, and customer service levels are constantly reviewed.

6. *How do senior leaders use organizational performance review findings and employee feedback to improve their own leadership effectiveness and the effectiveness of*

management throughout the organization? How do their personal actions reflect a commitment to the organizational values?

Management uses weekly staff reports and meetings with staff members to improve performance and awareness of office issues. Management maintains an open door policy and promptly follows-up on concerns of staff members. Senior leaders show their commitment to the organizational values by working as a close team to do whatever is necessary to accomplish the organization's mission.

7. *How do senior leaders promote and personally participate in succession planning and the development of future organizational leaders?*

We consistently review all employee position descriptions to determine areas where we could enhance employee learning, provide feedback, or provide cross training opportunities.

8. *How do senior leaders create and environment for performance improvement, accomplishment of strategic objectives, and innovation?*

We accomplish this through an open door policy where all employees can share ideas and concerns. In addition, management encourages employees to seek training opportunities and cross train throughout the office.

9. *How does senior leadership actively support and strengthen the communities in which your organization operates? Include how senior leaders and employees contribute to improving these communities.*

Senior leadership supports the community through customer service initiatives and personal involvement in our communities. We encourage all employees to be active in the community including supporting employees in religious and charitable activities, and volunteer opportunities.

The Secretary of State is an ex-officio member of the South Carolina Consumer Affairs Commission and the Legislative Council. He was named a Henry Toll Fellow by the Council of State Governments in June of 2007. He serves on the Santee Cooper Advisory Board, and served as Chairman of the International Relations Committee for the National Association of Secretaries of State. He was named Outstanding Alumnus by the South Carolina Shrine Bowl for Public Service in 2006, and was awarded the Sesquicentennial Medal of Honor for Outstanding Alumni from Newberry College in 2007.

Category 2- Strategic Planning

Strategic Planning			
Program Number and Title	Supported Agency Strategic Planning Goal/Objective	Related FY 06-07 Key Agency Action Plan/Initiative(s)	Key Cross References for Performance Measures
1 Administration	Continue efforts to improve efficiency	Continue support of information technology initiatives in the office	7.1-1 7.1-5 7.1-7 7.3-1
1 Business Filings	Allow enhanced electronic customer filings	Enhanced the SCBOS filing system and continued to work with partners on development	7.1-1 7.1-2 7.1-3
1 Business Filings	Maintain expedited processing time for all filings	Expanded cross training to reallocate staff in order to process workload	7.1-1 7.1-2 7.1-3
1 Notaries and Apostilles	Education of notaries public on their duties and responsibilities	Continued offering free notary seminars throughout the state	7.1-9
1 Charities, Special Purpose Districts, Municipal Incorporations and Annexations	Enhance charities database to allow customers to view suspended charities	Utilize staff expertise to configure database to allow searches by outside customers	7.1-4 7.1-5 7.1-6 7.1-7
1 Trademarks, Service Process, Employment Agencies & Business Opportunities	Promote enforcement of trademark legislation providing increased penalties for violations	Continue to coordinate efforts between law enforcement and the Secretary of State’s office to enforce trademark legislation and training	7.1-8

1. *What is your Strategic Planning process, including KEY participants, KEY process steps, and how does it address:*

All levels of management are involved in our strategic planning process, incorporating both employee and customer feedback. Managers and employees monitor our customers' demands through personal contact during the day and by recording complaints and suggestions. Employee input is also a factor. Management regularly meets to discuss how this impacts our office and influences our strategic plan.

2. How do you develop and track action plans that address your key strategic objectives, and how do you allocate resources to ensure the accomplishment of these plans?

The agency develops and tracks action plans through communication with all staff and customers. Resources are allocated as needed based on the urgency of the action items and customer demand.

3. How do you communicate and deploy your strategic objectives, action plans and related performance measures?

We deploy action plans through active communications between all levels of management and staff.

4. How do you measure progress on your action plans?

We measure progress on our action plans by regularly reviewing statistics. Our primary focus is meeting customer needs. We have daily contact with our customers and we evaluate whether the needs of those customers are being met. If we encounter customer complaints, we evaluate whether action plans need to change, and decide what steps need to be taken to improve customer satisfaction.

5. How do your strategic objectives address the strategic challenges you identified in your Organizational Profile (Section II, Question 8)?

Whenever possible, the agency reviews barriers to organizational effectiveness and initiates objectives to address those barriers. As organizational barriers change from time to time the agency constantly evaluates strategic objectives and changes them accordingly.

6. How do you evaluate and improve your strategic planning process?

We measure progress by the monitoring of status reports and weekly meetings.

7. If the agency's strategic plan is available to the public through the agency's internet homepage, please provide an address for that plan on the website.

Our strategic plan is not available to the public at this time. We will continue to work on our strategic objectives and make those available. We do provide information about our agency's mission on our website at www.scsos.com.

Category 3- Customer Focus

1. *How do you determine who your customers are and what their key requirements are?*

Our customers and requirements are mandated by statute.

2. *How do you keep your listening and learning methods current with changing customer/business needs and expectations?*

We keep methods current through customer feedback, customer inquiries, and training for professional groups.

3. *How do you use information from customers/stakeholders to keep services or programs relevant and provide for continuous improvement?*

We evaluate any problems that customers have in filing documents and address the concerns. We also offer electronic filing for some services to customers to allow those who prefer on-line service.

4. *How do you measure customer/stakeholder satisfaction and dissatisfaction, and use this information to improve?*

We measure customer satisfaction through constant customer interaction. Senior leaders respond daily to customer inquiries from our webpage and monitor whether there are areas that need improvement. In addition, senior staff meets with all managers and employees to determine customers concerns and satisfactory resolutions.

5. *How do you build positive relationships with customers and stakeholders? Indicate any key distinctions between different customer groups.*

We build positive relationships through responsive customer service and offer new and innovative ways for customers to file documents.

Category 4- Measurement, Analysis, and Knowledge Management

1. *How do you decide which operations, processes and systems to measure for tracking financial and operational performance, including progress relative to strategic objectives and action plans?*

We decide which operations to measure based on requirements as provided by statutes. All functions of the office are statutorily mandated with some having time limits on filings and response times.

2. *How do you use data/information analysis to provide effective support for decision making throughout your organization?*

Data tells us where our greatest needs are and allows us to reallocate resources to areas with the greatest workload to ensure efficient processing of documents.

3. *What are your key measures, how do you review them, and how do you keep them current with organizational needs and direction?*

Our primary measures are:

- number of filings;
- number of searches;
- length of time between filing and data entry;
- average customer wait time in our phone room;
- revenue collected through fees;
- registered charitable organizations;
- administrative fine revenue from charities;
- prosecutions of charity fraud and counterfeit trademarks; and,
- employee turnover and morale.

These measurements are the most critical ones to our mission. Our history in filing and regulating has shown us that these measurements are the most important to not only analyze past performance, but to predict future trends. The measurements directly relate to our mission of providing the most cost-efficient and consumer-friendly service in state government. Finally, this data is used by all senior leaders, including Secretary Hammond, to make agency decisions and policy changes.

4. *How do you select and use key comparative data and information to support operational and strategic decision making and innovation?*

For comparative data we look to our past performance and also outside sources. Although we do not have a natural competitor, we do compare our services to those offered by other secretary of states' offices. Most secretaries of state perform essentially the same functions as we do. Many secretaries of state offer expedited filings in one week for an extra fee, but we offer them much faster service (48 hours) – at no charge. This is important since many of our customers (banks, lawyers, and corporations) deal with many different secretary of states' offices. Many times the offices will provide data and we use it to compare with our measurements.

5. *How do you ensure data integrity, timeliness, accuracy, security and availability for decision making?*

The Vector 65 system allows us to maintain information on our phone room. Similarly, our office computer system maintains filing data. Additionally, we measure activity on our website through a service known as Webtrends. All of these services maintain the data in a safe and reliable environment for future inquiry.

6. *How do you translate organizational performance review findings into priorities for continuous improvement?*

The agency uses this information to set priorities and goals for the agency.

7. *How do you collect, transfer, and maintain organizational and employee knowledge (your knowledge assets)? How do you identify and share best practices?*

We maintain employee knowledge by offering new training opportunities as well as cross training throughout departments within the agency. In addition, all EPMS planning stages include requirements for division manuals, where relevant, for future knowledge sharing.

Category 5- Workforce Focus

1. *How do you organize and manage work: to enable employees to develop and utilize their full potential, aligned with the organization's objectives, strategies, and action plans; and to promote cooperation, initiative, empowerment, innovation and your desired organizational culture?*

We organize workloads based on supervisor input and statistics and utilize employees where most needed. We also give options to employees to work in areas where they wish to obtain additional knowledge.

2. *How do you evaluate and improve your organization's human resource related processes?*

To improve our human resource related processes we have updated and revised all human resource policies and procedures, and have worked extensively with our Office of Human Resources liaison to improve upon current processes. We conducted training for all staff, including conflict resolution and supervisory training.

3. *How do you identify and address key developmental and training needs, including job skills training, performance excellence training, diversity training, management/leadership development, new employee orientation and safety training? How do you evaluate the effectiveness of this education and training and how do you encourage on the job use of the new knowledge and skills?*

Our training needs are determined by the area of the office involved. Where outside training applies to our office's functions, employees are encouraged to actively participate. Our charities staff is active in the National Association of State Charity Officials, participating in conference calls, and also in Internal Revenue Service video seminars. Our Chief of Staff is a graduate of the Executive Institute, and has been appointed by Governor Sanford to serve on the E-Government Oversight Committee. Our Charities Division supervisor is a Certified Public Manager. Finally, our attorneys attend continuing legal education training relevant to our office's mission.

We continue to emphasize internal training. New employees are assigned to a supervisor to learn our system. Experienced employees are cross-trained, effectively improving morale while also providing the office the ability to shift employees when the situation demands it. Cross-training also broadens our employees' knowledge of the office and enables them to advance through the organization.

4. *How does your employee performance management system, including feedback to and from employees, support high performance and contribute to the achievement of your action plans?*

Ongoing communication is part of our action plans and the EPMS system will be utilized to continue achievement of these plans.

5. *How do you motivate your employees to develop and utilize their full potential?*

Dealing with customers while doing your work all day is trying; so, to help motivate, managers work beside their employees and step in when help is needed, encouraging a positive work environment. In fact, most of the office is physically designed in an open environment allowing employees to easily interact and not feel "closed off". All employees understand that it is best to ask questions, and that no door is closed to inquiries**.**

Senior leaders encourage employees to pursue training opportunities and offer incentives to employees that perform well. During FY 06-07 senior leaders sponsored several employee appreciation gatherings, became involved in employee training programs and worked side by side with all employees to support learning efforts. Employees have also been recognized in front of their peers for jobs well done.

6. *What formal and/or informal assessment methods and measures do you use to determine employee well being, satisfaction, and motivation? How do you use other measures such as employee retention and grievances? How do you determine priorities for improvement?*

We maintain an open door policy for employees with senior management and periodically meet with employees to discuss their work environment and encourage employees to expand upon their knowledge. We discuss training opportunities and future goals.

7. *How do you maintain a safe, secure, and healthy work environment? (Include your workplace preparedness for emergencies and disasters.)*

A healthy, safe work environment creates high morale. Our staff normally does not get involved in work activities that have a high rate of injury. We will continue using Prevention Partners' materials to promote healthy lifestyles. We also created an emergency preparedness plan for the agency.

Category 6- Process Management

1. *How do you determine, and what are your key processes that produce, create or add value for your customers and your organization? How do you ensure that these processes are used?*

Since all of our staff members are in direct contact with customers all day, our processes are designed with the customer in mind.

Services we continued this year were:

- a format for our forms so that our customers could complete them on the computer screen while on our website;
- a corporate phone room to quickly facilitate questions;
- searchable corporate, UCC and charities databases on our website;
- debit accounts for our larger business customers in our Business Filings division; and,
- a toll-free number in our charities division for customer inquiries and complaints.

Our corporate phone room is staffed and designed to handle the large volume of calls concerning various corporations and filings. We set up our website so customers may access forms, filing instructions, fees or our databases from their computer. The charities division has a toll-free line to handle consumer calls and the division's database is on our website with information on how much a charity raised in donations and how much was spent towards its charitable cause.

2. *How do you incorporate organizational knowledge, new technology, changing customer and mission-related requirements, cost controls, and other efficiency and effectiveness factors such as cycle time into process design and delivery?*

We incorporate organizational knowledge with our training systems as well as utilize the knowledge of long time employees. We also utilize new technology initiatives to improve efficiency and effectiveness.

3. *How does your day-to-day operation of these processes ensure meeting key performance requirements?*

We monitor daily statistics on computer systems and workload amounts to determine where resources are needed to meet performance requirements.

4. *How do you systematically evaluate and improve your key product and service related processes?*

We constantly monitor customer feedback as well as other state agencies and secretaries of state offices throughout the country for better ways to deliver our products and services. This process allows us to not only react quickly to customer demands, but also to anticipate changing demands and act on them before they occur.

5. *What are your key support processes, and how do you improve and update these processes to achieve better performance?*

Our key support management comes from administration – senior leadership. All senior leaders monitor production measurements in order to ensure quality service and to shift resources accordingly. We do not closely monitor process systems with key suppliers as we use only a few of these suppliers irregularly throughout the year.

6. *How does your organization determine the resources needed to meet current and projected budget and financial obligations?*

The Director of Administration maintains financial information on all agency activities. She approves all purchase/expenditure requests based on resources available and provides periodic updates on financial conditions to the rest of the management team.

Category 7 – Business Results

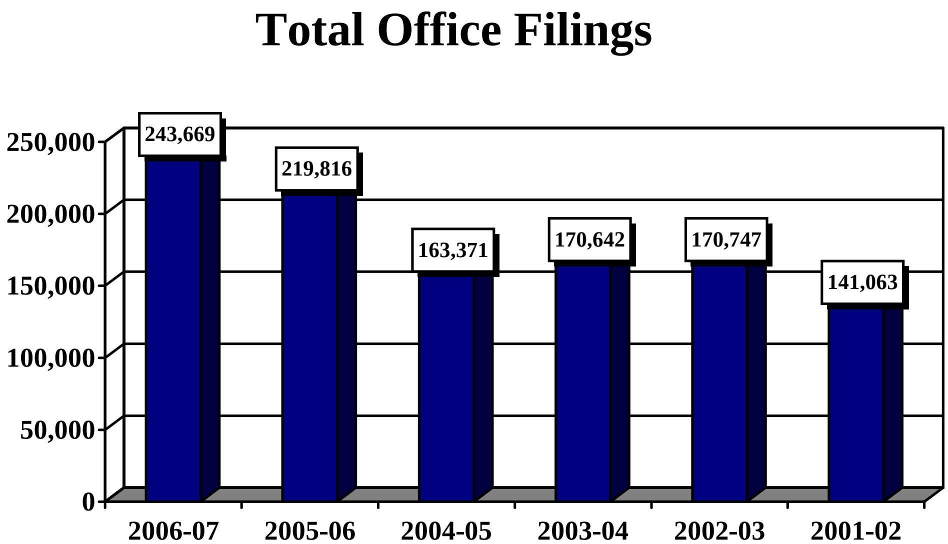
7.1 What are your performance levels and trends for the key measures of mission accomplishment and organizational effectiveness?

7.1 Mission Accomplishment

To fully appreciate the accomplishment of our mission, the volume of work and how quickly we handle our workload, it is important to note the large volume of documents processed. Our customers are primarily business customers who need to have their documents handled quickly and efficiently.

Measuring the number of filings processed in the office helps us to properly allocate our resources (staff, operating expenses) to provide quality customer service.

7.1-1



We continue to see a large volume of filings throughout the office. In FY 06-07 the office filed 243,669 documents to meet statutory requirements set forth by the General Assembly.

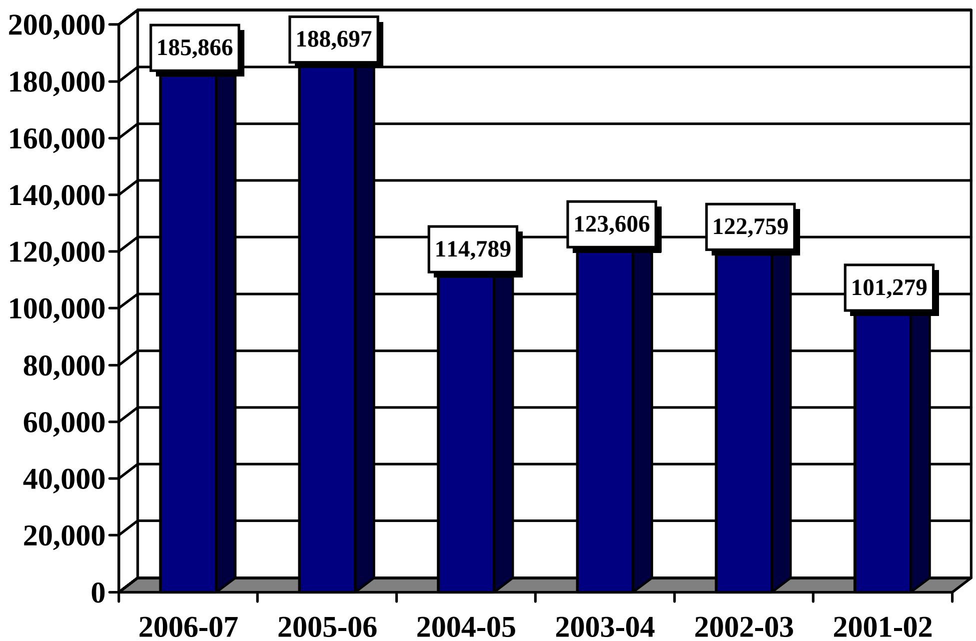
We maintain high standards of customer service throughout the office. Our goal in the Business Filings division continues to be 48-hour turn around of documents. We consistently meet this goal with limited exceptions during peak filing seasons. We exceed this standard with the filing of Uniform Commercial Code documents which are filed within 24-hours. The South Carolina Secretary of State continues to offer this service without additional fees as opposed to many states and agencies that offer heightened fees for “expedited” service.

Our Business Filings Division is our highest volume division (over 76 percent of the office’s filings are in this division) since it involves both Corporate and UCC filings.

The following charts from our Business Filings Division show the consistent high volume of filings and growth this division has seen in the last five years.

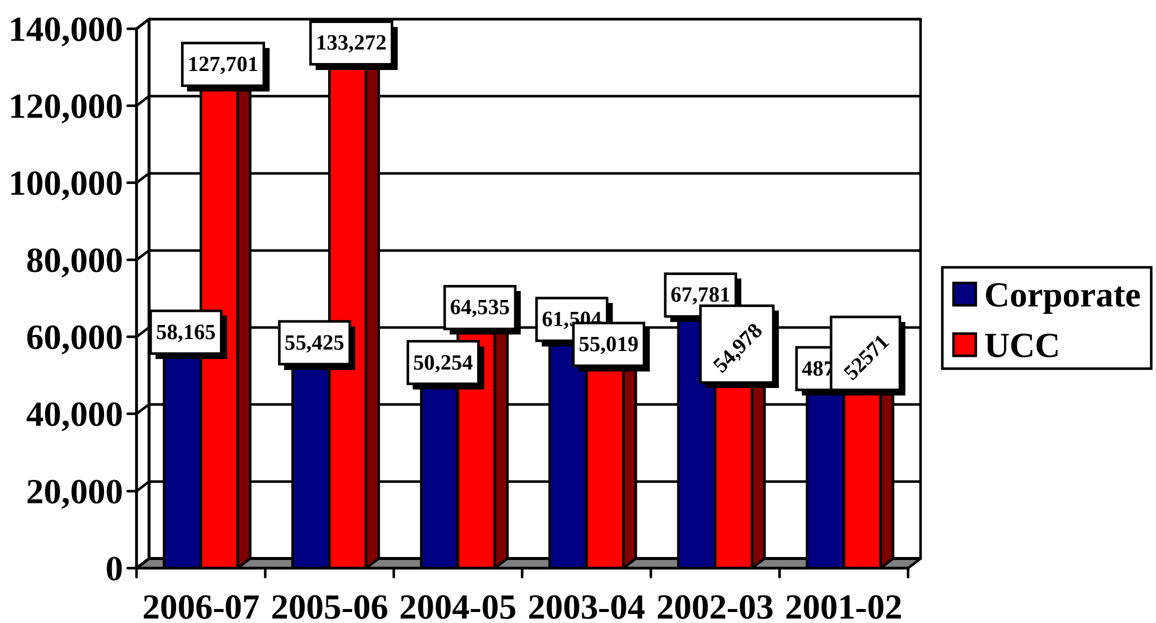
7.1-2

Business Filings
Total Filings



7.1-3

Business Filings
Corporate v. UCC



Other Customer Satisfaction Measurements

By allocating the staff according to volume and responsibilities, and by emphasizing cross-training, we achieve two main components of our mission: superior customer service and 48-hour turnaround. The turn around time is a concept that addresses how long a filing is in the office before it is returned to the customer. Unfortunately due to limited staffing, the high volume of filings, phone calls and customer in-office visits, it is not always possible to handle all filings on a "day-of filing" basis. So, our goal is to process the filing out in two days. This goal is monitored on a daily basis.

The Vector 65 Call Management system is used to monitor our corporate phone room. This room is staffed with office personnel to answer questions customers may have concerning different business entities filed with the office. In FY 06-07 we handled more than 63,000 phone calls in that room alone.

The call management system allows us to measure how long each call is taking, how long until it is answered, and how long until a caller hangs up without receiving assistance. We are also able to measure how many calls we receive. This data is provided daily and weekly to management. Our phone room averaged more than 240 calls per day and the average length of a phone call in 06-07 was three minutes.

In 06-07, the corporate phone room and the front desk received over 95,000 phone calls requesting assistance.

Commitment to Electronic Government

In 2006-2007, we continued our commitment to electronic government. The agency maintains several key databases and other information on our website. The databases that are available for searches and information are our Corporations, Uniform Commercial Code and Charities databases. These databases allowed our customers to research a particular organization without calling our office. The Charities database also calculates the percentage a charity spends on their program services.

Similarly, we offer the customer the ability to complete forms online and download them for filing. This keeps our staff from having to constantly field phone calls and place orders for forms.

Our website averages over 5 million hits per month.

In FY 06-07 we began a transfer of the agency website. By hosting the website in-house not only is it more cost-effective, but it will allow for additional enhancements and offerings to customers.

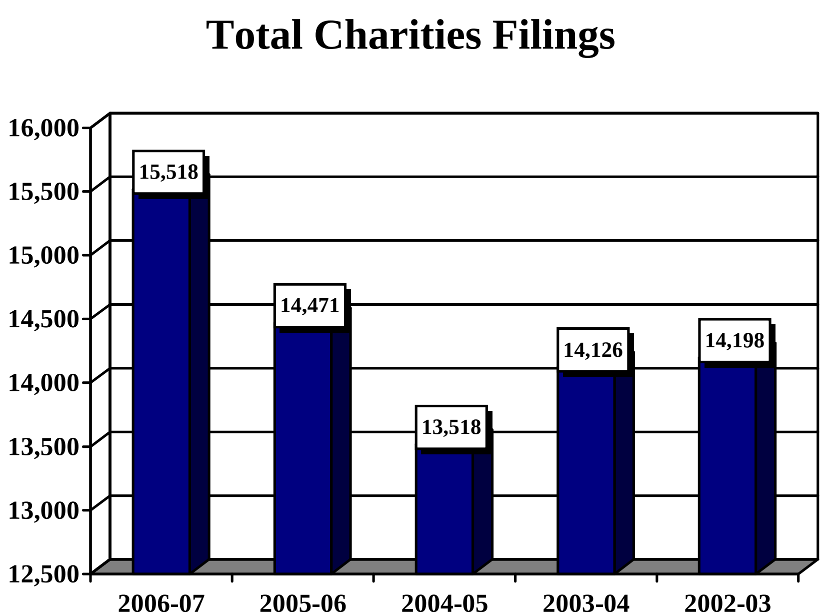
Charities Division

Our Charities Division's mission is to: 1) efficiently register all charities that are fundraising in South Carolina, including all of their professional solicitors and fundraisers; 2) review all of the annual financial reports submitted by registered charities and fundraisers; and 3) investigate and seek prosecution of all charities and fundraisers that violate the Solicitation of Charitable Funds Act.

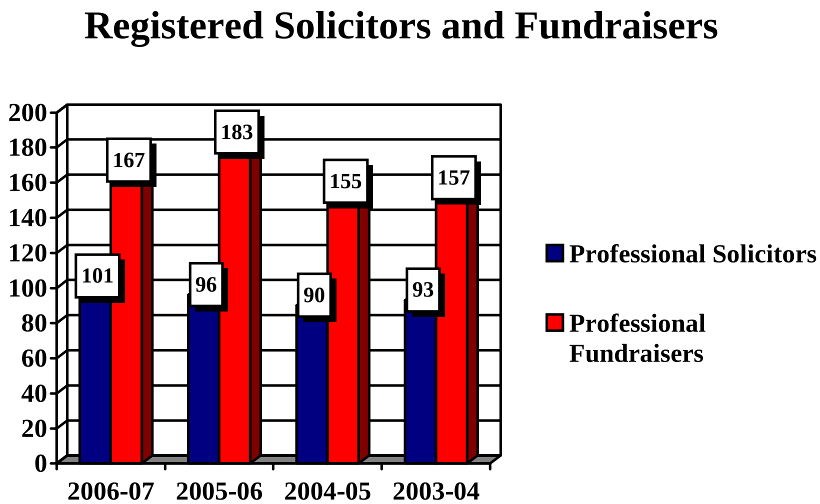
All charities, their solicitors and fundraisers must register with the office and file annual financial reports. This provides donors the ability to investigate charities before donations are made. Annual financial reports show how much money a charity raised in a year and how the money was spent. The Division of Public Charities strongly believes that it is a great public service to have these records readily available so that the public may educate itself about a charity. When potential donors fully understand where their charitable dollars are spent, they can make informed decisions.

Below are the Charities Division's statistics for 2006-07:

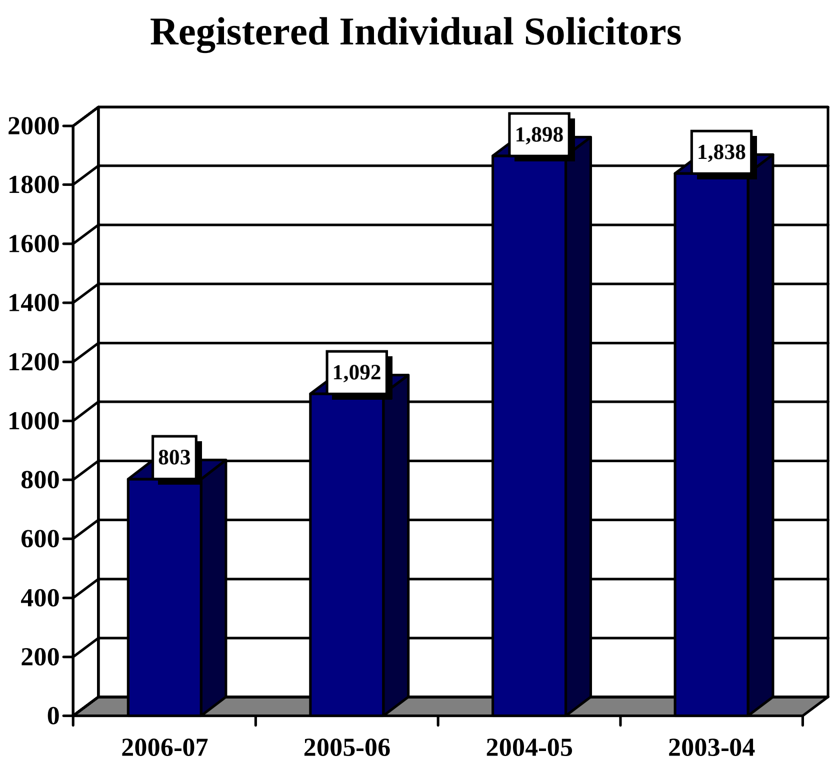
7.1-4



7.1-5



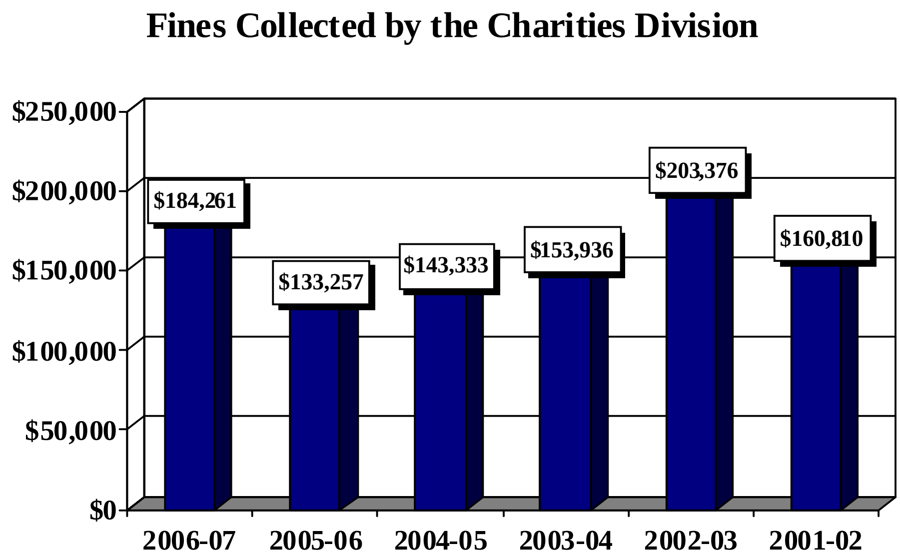
7.1-6



This last chart shows the number of actual individuals registered as professional solicitors in South Carolina. The number of individual solicitors has dropped and our office has learned that this is due to the continued impact of the national “Do Not Call” list and monitoring efforts of our staff.

Another important measurement in the Division of Public Charities is the amount of administrative fines recovered. We are able to issue fines for those charities and professional solicitors who do not register or do not file their financial records on time. Most importantly, the Charities Division fines charities and professional solicitors who mislead the public in their solicitations.

7.1-7



Annual fines in this division remain relatively constant; however, a large fraud case will result in high revenue and could skew the amounts.

Every year, the Charities Division proactively sends out notices to all charities and fundraisers reminding them to register and to file financial reports. This has resulted in high compliance rates and lower costs for the division in issuing fines.

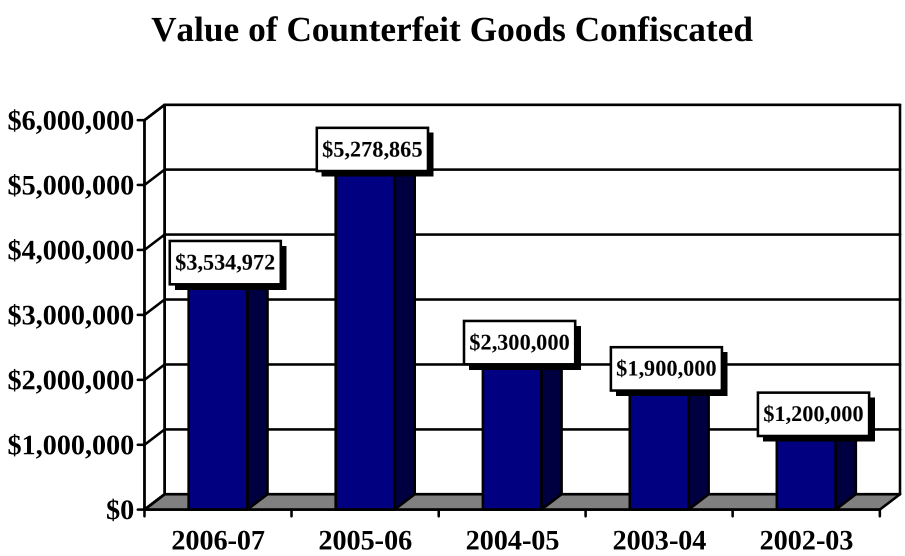
Finally, this division also seeks to educate the public about charities. We offer a toll-free number for our Charities Division. The staff regularly speaks to different groups on these issues. Secretary Hammond also formed the first Secretary of State/Nonprofit Advisory Council to further explore issues affecting the nonprofit community.

Trademarks Division

The Secretary of State handles the registration of state trademarks and assists law enforcement in the investigation and confiscation of counterfeit goods – fraudulent goods that infringe upon the trademark rights of legitimate businesses. In 2006-07, 836 trademark registrations and renewals were filed in the office. Our office also measures the amount of counterfeit goods confiscated by our trademarks division in coordination with local and federal law enforcement. The office assists law enforcement in any way possible to continue to protect South Carolina citizens from sellers of fraudulent merchandise.

In 06-07, our trademarks division assisted law enforcement in the confiscation of more than $3.5 million in counterfeit goods and the arrest of 36 individuals for trafficking in counterfeit goods.

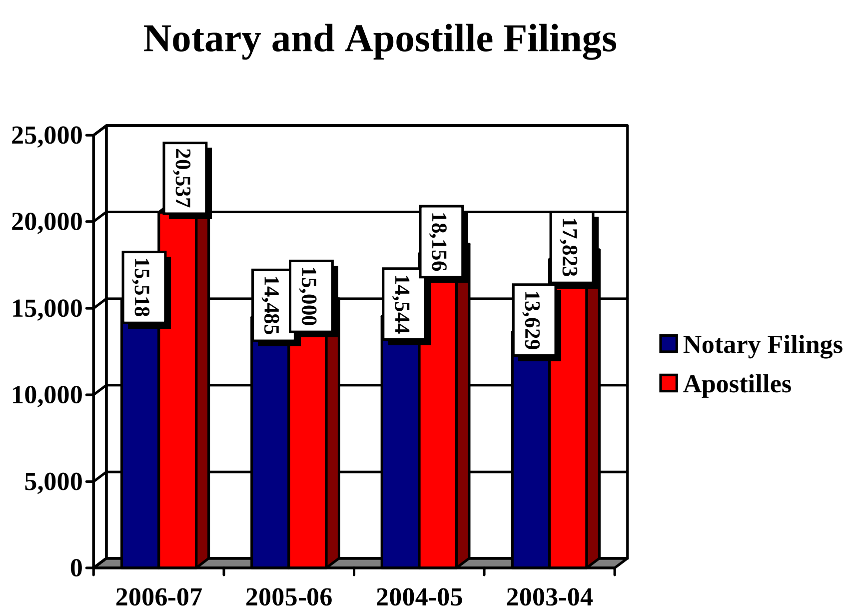
7.1-8



Notaries, Apostilles, Boards and Commissions

This division handles all notary applications and renewals and processes apostilles. In addition, this division processes all filings for state boards and commissions and files all ratified Acts.

7.1-9



7.2 Customer Satisfaction

7.2 What are your performance levels and trends for the key measures of customer satisfaction? (a customer is defined as an actual or potential user of your organization's products or services.)

The primary measure we use to measure customer satisfaction is daily feedback from our customers. On our website we offer a feedback link where we receive numerous emails everyday which are addressed by the management team. These messages are responded to daily and we rarely encounter complaints. If complaints do arise they are addressed immediately to improve our customer satisfaction.

In addition, we focus on workload completion times. We have stringent timelines established for every division. These timelines are monitored daily by senior management and any issues are addressed through reallocation of staff and other accommodations.

Our website is primarily a business resource for our customers to do the necessary research for their work. However, it also serves as an informational resource for our other customers. With our Corporations, Uniform Commercial Code and Charities databases on the site, many of our customers no longer need to call or visit our office for many transactions.

Notaries Seminars Surveys

Our popular notary public training seminars continued in 2006-07. These seminars were held throughout the state, for free, and focused on educating notaries about the responsibilities, duties and potential liabilities of being a notary public. Seminars were conducted throughout the state to allow accessibility for all South Carolinians. Over 1,100 individuals attended these seminars and the overwhelming response was positive. All attendees were encouraged to fill out evaluation forms which asked for ratings of the seminars and for comments.

7.3 Financial Results

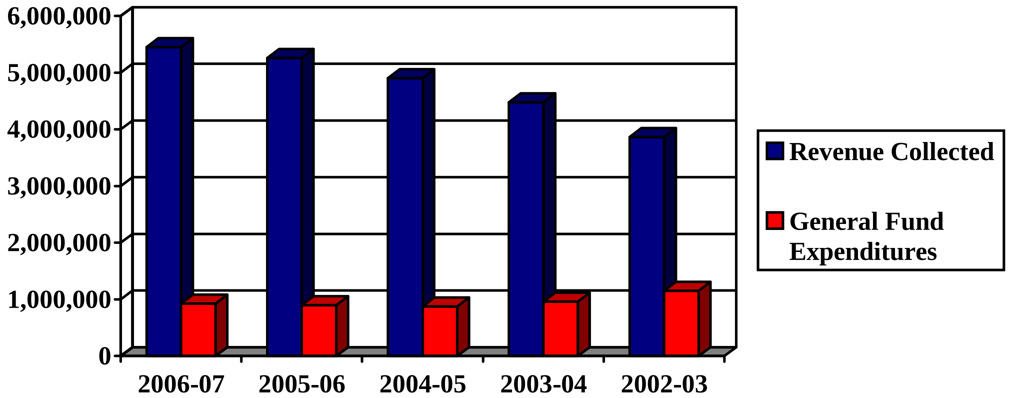
7.3 What are your performance levels for the key measures of financial performance, including measures of cost containment, as appropriate?

The Secretary of State's Office prides itself on being one of the most fiscally responsible agencies in state government. Instead of growing expansively – even in surplus years, the office maintains its fiscal integrity by controlling its growth and monitoring every dollar spent.

These savings to the taxpayer are magnified when one takes into account our appropriated funds and compares them to the revenue our office generates to contribute to the General Fund.

7.3-1

Revenue Collected for General Fund vs. General Fund Expenditures



Once again the Secretary of State's Office generated revenue in 2006-07 that was more than 5 times its appropriated funds.

7.4 Employee Satisfaction

7.4 What are your performance levels and trends for the key measures of Human Resource Results (i.e. work system performance, employee learning and development, employee well-being, employee satisfaction, diversity, and retention)?

Our key measures for employee satisfaction are length of employment, employee turnover, ability to perform numerous functions in the office, and involvement in activities outside the office.

Length of employment is an important measure as it indicates loyalty to the office, level of job satisfaction and morale. Long-time employees also provide the office with a high degree of institutional knowledge. Such a large number of long-time employees indicates to us that there is a high level of job satisfaction and morale in our office. However, we must keep this constantly in mind and provide the most positive work environment possible.

To promote a positive work environment, senior management have sponsored numerous employee appreciation events including holiday gatherings and luncheons. Employees have embraced the open door policy and provided numerous comments to management about how happy they are with the current environment and how they feel appreciated. Senior management has also received "thank you" notes from staff for their efforts.

Finally, most of our employees can perform more than one task in our office. This shows a willingness to learn and contribute towards our mission.

7.5 Regulatory Compliance

7.5 What are your performance levels and trends for the key measures of regulatory/legal compliance and community support? Note: For a governmental agency, this question would apply to compliance with laws and regulations other than the agency's central legal mandate. Results of the agency's legal mandate or mission should be addressed in question 7.1.

We adhere to all state and federal guidelines regarding operations at our agency including procurement practices, human resources, and financial accounting practices.