

<b>AGENCY NAME:</b>	Secretary of State		
<b>AGENCY CODE:</b>	E080	<b>SECTION:</b>	96

**Fiscal Year 2015-16  
Accountability Report**

**SUBMISSION FORM**

<b>AGENCY MISSION</b>	<p>The mission of the Secretary of State’s Office is to provide innovative technology to enhance the transaction of business in the State, to serve the business community and members of the public with prompt and efficient customer service, to protect the charitable donors of South Carolina, and to fulfill all other statutory duties of the office.</p>
-----------------------	---

<b>AGENCY VISION</b>	<p>The Office of the Secretary of State is mandated by the South Carolina Code of Laws to serve as the state filing office for business corporations, nonprofit corporations, limited partnerships, limited liability partnerships and limited liability companies, as well as for all Uniform Commercial Code Article 9 Secured Transaction filings. The Secretary of State also serves as the agent for service of process for business entities that do not have authority to transact business in South Carolina, or who do not maintain a registered agent in this state. In addition to business filings, the Secretary of State’s Office examines and files state trademarks, maintains the state notary public database, and issues commissions for elected officials and those appointed by the Governor. The Secretary of State’s Office is also responsible for issuing all statewide cable franchises and serves as the repository for several types of municipal filings. The office handles the incorporation of municipalities and special purpose districts, the annexations of land, and the escheatment of real property in South Carolina. Finally, the Secretary of State’s Office regulates charitable organizations, professional fundraisers, business opportunities and employment agencies.</p>
----------------------	--

Please state yes or no if the agency has any major or minor (internal or external) recommendations that would allow the agency to operate more effectively and efficiently.

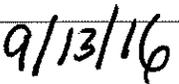
<b>RESTRUCTURING RECOMMENDATIONS:</b>	No.
---------------------------------------	-----

Please identify your agency’s preferred contacts for this year’s accountability report.

<b>AGENCY NAME:</b>	Secretary of State		
<b>AGENCY CODE:</b>	E080	<b>SECTION:</b>	96

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
<b>PRIMARY CONTACT:</b>	Melissa Dunlap	734-2157	mdunlap@sos.sc.gov
<b>SECONDARY CONTACT:</b>	LaToria Williams	734-1723	lwilliams@sos.sc.gov

I have reviewed and approved the enclosed FY 2015-16 Accountability Report, which is complete and accurate to the extent of my knowledge.

<b>AGENCY DIRECTOR (SIGN AND DATE):</b>		
<b>(TYPE/PRINT NAME):</b>	Mark Hammond, Secretary of State	

<b>BOARD/CMSN CHAIR (SIGN AND DATE):</b>	
<b>(TYPE/PRINT NAME):</b>	

<b>AGENCY NAME:</b>	<b>Secretary of State</b>		
<b>AGENCY CODE:</b>	<b>E080</b>	<b>SECTION:</b>	<b>96</b>

## **AGENCY'S DISCUSSION AND ANALYSIS**

### Statutory Duties

The Office of the Secretary of State is mandated by the South Carolina Code of Laws to serve as the state filing office for business corporations, nonprofit corporations, limited partnerships, limited liability partnerships and limited liability companies, as well as for all Uniform Commercial Code Article 9 Secured Transaction filings. The Secretary of State also serves as the agent for service of process for business entities that do not have authority to transact business in South Carolina, or who do not maintain a registered agent in this state. In addition to business filings, the Secretary of State's Office examines and files state trademarks, maintains the state notary public database, and issues commissions for elected officials and those appointed by the Governor. The Secretary of State's Office is also responsible for issuing all statewide cable franchises and serves as the repository for several types of municipal filings. The office handles the incorporation of municipalities and special purpose districts, the annexations of land, and the escheatment of real property in South Carolina. Finally, the Secretary of State's Office regulates charitable organizations, professional fundraisers, business opportunities and employment agencies.

### Mission Statement

The mission of the Secretary of State's Office is to provide innovative technology to enhance the transaction of business in the state, to serve the business community and members of the public with prompt and efficient customer service, to protect the charitable donors of South Carolina, and to fulfill all other statutory duties of the office.

The South Carolina Code requires the Secretary of State to serve as the filing agent for several types of documents, as noted in the table below:

<b>Agency Division</b>	<b>Work Processes</b>	<b>Processed in FY 202015-2016</b>
Business Filings	UCC Filings	84,232
	Corporate Filings	69,984
	Copy Work Requests	26,412
Public Charities	Charity Registrations & Financial Reports	20,871
	Charity Financial Report Extensions	6,787
	Professional Fundraiser Registrations	2,066
	Fundraiser Contracts & Financial Reports	2,792
Notaries	Notary Applications	16,821
	Apostilles and Authentications	8,939
	Boards & Commissions Appointments	1,249
	Other Oaths & Commissions	2,082
Trademarks	Trademark & Service Mark Registrations	749

<b>AGENCY NAME:</b>	<b>Secretary of State</b>		
<b>AGENCY CODE:</b>	<b>E080</b>	<b>SECTION:</b>	<b>96</b>

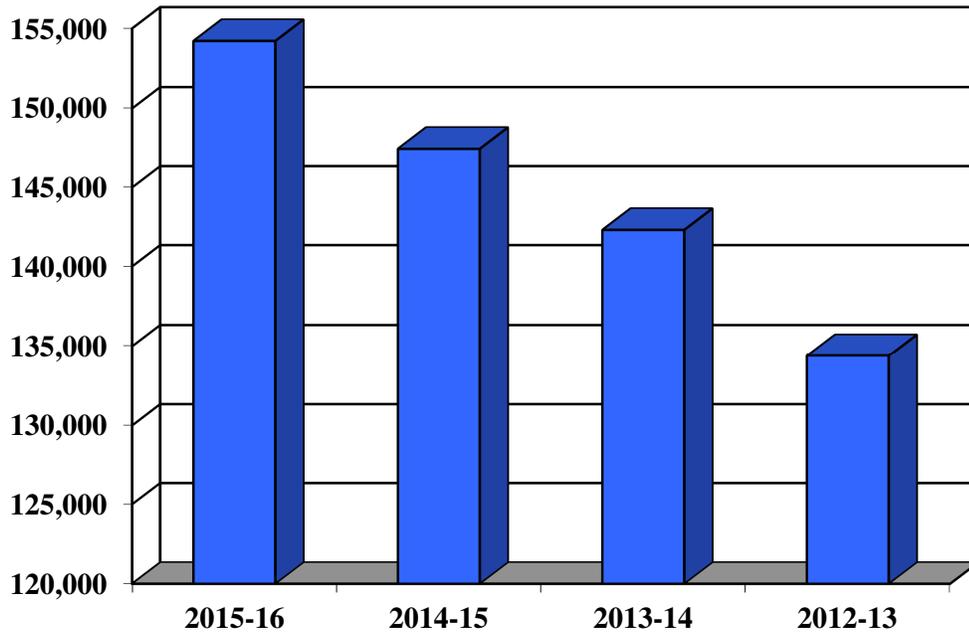
Service of Process	Service of Process Requests	642
Municipalities	Annexation Filings	210
	Cable Franchise Filings	42
	Employment Agency Applications	145
	Business Opportunity Applications	27

Business Filings

The Secretary of State’s Office is integral in the transaction of business in the state. New business formations or amendments to existing business entities are filed with the office. The Secretary is also responsible for Uniform Commercial Code Article 9 Secured Transaction filings.

The number of Uniform Commercial Code filings increased from 78,502 UCC filings in FY 2014-2015, to 84,232 filed in FY 2015-2016, a 7% increase. The number of corporate filings increased from 68,910 filed in FY 2014-2015, to 69,984 in FY 2015-2016. The total number of business filings for FY 2015-2016 was 154,216 as compared to 147,412 in FY 2014-2015, a 4% increase.

Total Business Filings from FY 2012-2013 to FY 2015-2016



Providing online filing capabilities is critical for our customers. The online corporation document search and retrieval project was launched in FY 2015-2016. This is a part of the larger online business filings project that will launch in 2017. This new system will allow businesses to file corporate documents online and receive filed copies electronically.

<b>AGENCY NAME:</b>	<b>Secretary of State</b>		
<b>AGENCY CODE:</b>	<b>E080</b>	<b>SECTION:</b>	<b>96</b>

In order to meet the demands of the office and provide excellent customer service with a staff of 30, the management continues to cross train staff to meet the needs of the customers. Upgrades were made in-house to assist staff with fulfilling the mission of the office. Secretary Hammond provided additional tools to staff by continuing to build upon and enhance technology in order to better serve customers. An in-house cable franchise system was implemented in addition to a new in-house system for Presidential Electoral College filings.

In addition to providing online service to our customers, the office responds to calls and walk-in customers. In FY 2015-2016, the corporate phone room assisted 68,567 customers. In our Charities Division, 27,463 customers were assisted over the phone. Over 14,212 walk-in customers were assisted in FY 2015-2016.

### Technology Enhancements and Cyber Security

Information technology online applications remain a top priority for the Secretary of State's Office. As reflected in our mission statement, providing online system applications to our customers is a goal of the office. A goal of last year's Accountability Report was to increase the number of online filings offered to our customers. During FY 2015-2016, a major accomplishment was the launch of the corporate online document request application to benefit our business customers, as well as banks, attorneys, and citizens seeking information. The customer response to this application has been overwhelmingly positive.

It is the goal of the office to improve the processes for individuals and entities seeking to conduct business in our state. Another goal in FY 2015-2016 was to provide completion of a universal corporate business filing system that includes both online and in-house filing capabilities. The design is complete and we are in the final phase of testing before launch of this new application that will allow customers to register or reserve a corporate name, create, amend or dissolve an entity online. This project is the second phase following the online document request application launched in FY 2015-2016.

In FY 2015-2016, plans were developed to update the office's website. Implementation of the new website design is anticipated in early 2017. These modifications will improve the customer experience and create the capability for more online filings. It is imperative to constantly strive to improve our technology to enhance the transaction of business for our customers, which includes individuals, businesses, banks, and law firms.

Moreover, the agency completed a microfilm conversion project that digitized 1.5 million corporate records. This was a critical project to preserve permanent corporate records. With constant changes in technology, this was yet another step toward the progression of the office's in-house and online services.

The Secretary of State's Office continues to work with the Department of Administration's Division of Technology to provide off-site storage of our databases as part of our disaster recovery plan. In addition,

<b>AGENCY NAME:</b>	<b>Secretary of State</b>		
<b>AGENCY CODE:</b>	<b>E080</b>	<b>SECTION:</b>	<b>96</b>

we continue to work on the requirement of the Department’s statewide security plan. With all the online services that the office provides, maintaining IT infrastructure is more critical than ever for serving our customers.

In our Charites Division, we completed enhancements to the online raffle filing system which benefits organizations wishing to conduct raffles in the state in order to comply with the enactment of the nonprofit raffle legislation pursuant to Act 185 of 2015. Updates were made to the payment engine to meet recent changes to ensure PCI (Payment Card Industry Data Security Standards) compliance. In FY 2016-2017, in order to assist charitable donors in the state, the Secretary plans to provide an online process for the public to submit inquires or complaints about solicitations that need to be investigated by the office. Also, in FY 2016-2017, the office plans to replace legacy notary public databases and provide staff with improved capabilities to process notary applications and renewals for the state’s 140,000 notaries public.

In FY 2014-2015, the office met its goal continuing to work on enhancements for a secure and flexible enterprise database. Databases were upgraded and new applications developed to continue to improve usability, enhance disaster recovery, and strengthen security. In addition, the Secretary updated the telephone system with a VOIP (Voice over IP) system.

The state boards and commissions online database continues to be a tremendous asset to members of the legislature and to the public at large. This application provides searchable information on state boards and commissions that is updated daily. Staff continues to provide updates as needed on the agency website, including new forms, form revisions, and supplemental information to further benefit the public.

Charitable Solicitations Act—Filings, Enforcement, and Donor Education

As administrator of the South Carolina Solicitation of Charitable Funds Act, Secretary Hammond remains committed to promoting transparency in charitable giving and protecting the donors of South Carolina. Under the Act, the mission of the Secretary of State’s Division of Public Charities is to (1) efficiently register all charitable organizations and professional fundraisers that are soliciting in the state of South Carolina; (2) review all financial reports submitted by registered charities and fundraisers, and make this information available to the public; and (3) investigate and prosecute all violations of the Solicitation of Charitable Funds Act.

In FY 2015-2016, 12,381 charitable organizations registered or filed annual applications for registration exemption with the Secretary of State’s Division of Public Charities—a 15.5% increase over the previous fiscal year. Fifty percent of these registrations and exemption applications were filed using the Secretary of State’s Online Charities System. Additionally, the Division of Public Charities filed over 20,000 financial reports, financial report extensions, and professional fundraiser registrations, and professional fundraising contracts.

<b>AGENCY NAME:</b>	<b>Secretary of State</b>		
<b>AGENCY CODE:</b>	<b>E080</b>	<b>SECTION:</b>	<b>96</b>

Following the legalization of nonprofit raffles in April 2015, the Division of Public Charities saw an increase in the number of organizations registering for the purpose of conducting raffles. In FY 2015-2016, 450 organizations filed a raffle registration with the Division, and over 30% of these organizations filed their raffle registration forms online.

During FY 2015-2016, Secretary Hammond continued to bring enforcement actions against charities and professional fundraisers that violated the Solicitation of Charitable Funds Act. The Secretary of State’s Office collected \$278,430.00 in fine revenue for violations of the Solicitation of Charitable Fund Act in FY 2015-2016—an 8% increase over the previous year. In order to assist donors with filing complaints, the Secretary of State’s Office created and published on its website a Charitable Solicitation Complaint Form (as noted previously, one goal for FY 2016-2017 is to develop an application for online submission of charity inquiries and complaints). Moreover, the Secretary of State’s Office continued to work with other states in investigating charitable organizations and professional fundraisers engaged in practices that are harmful to donors. In March 2016, Secretary Hammond joined the Federal Trade Commission and agencies from the 49 other states and District of Columbia in a settlement agreement that saw the permanent dissolution of a network of cancer charities and the banning of their chief officers from any future fundraising activity. This action constituted the largest joint enforcement action ever undertaken by state charity regulators and the Federal Trade Commission.

In addition to promoting transparency and accountability, Secretary Hammond believes that donor education is central to fostering a culture of wise charitable giving. To that end, Secretary Hammond continued the tradition in FY 2015-2016 of recognizing ten Angel and ten Scrooge charities during the holidays. The Secretary of State’s Office also maintained the charity search engine on its website, which allowed donors to look up registered charities and review the most recent financial information filed with the Division of Public Charities. The office compiled a comprehensive Professional Solicitor’s Report, which provided detailed information from joint financial reports filed by professional solicitors in 2015. This report provided a listing of all charities that employed professional solicitors as well as the percentage of donations that were remitted to the charities following a solicitation campaign. In FY 2016-2017, the report will be available on the Secretary’s website and available for public inspection. Furthermore, Secretary of State’s Office staff conducted 31 speaking engagements and statewide trainings and presentations on the Solicitation of Charitable Funds Act and nonprofit raffles.

#### Trademarks and Counterfeit Goods Enforcement

In order to assist trademarks customers, the Secretary of State’s Office has prepared an online listing of trademarks and service marks registered with the Secretary of State. This new search tool will launch in FY 2016-2017. The list will be updated daily and include the name of the trademark or service mark, the relevant goods or services and class numbers, the applicant’s name, and the expiration date of the mark. This listing will make it easier for trademark customers to determine the availability of a mark,

<b>AGENCY NAME:</b>	<b>Secretary of State</b>		
<b>AGENCY CODE:</b>	<b>E080</b>	<b>SECTION:</b>	<b>96</b>

and improve the efficiency of the Trademarks Division by reducing the number of calls received from customers.

The Secretary of State’s Office continued to assist law enforcement on the local, state and federal level to investigate and prosecute counterfeit trafficking in South Carolina. In FY 2015-2016, the Secretary of State’s Office facilitated 29 raids during this fiscal year that led to 26 arrests, 32 cease and desist orders, and the seizure of \$1,535,638.00 in counterfeit merchandise. Staff continued to raise awareness of the negative impact of counterfeit goods by presenting to various organizations throughout the state.

Notary Public Outreach, Boards and Commissions and Authentications

The Secretary of State is the public official charged with commissioning notaries public in the state of South Carolina. In FY 2015-2016, the Secretary of State commissioned over 16,821 notaries public, an increase of 5% from FY 2014-2015. As in previous years, Secretary Hammond demonstrated his commitment to promoting understanding and compliance with state laws governing notaries by conducting ten free notary public seminars throughout the state on the comprehensive changes in the notary statutes signed into law on June 2, 2014—the first significant update to South Carolina’s notary public laws since the 1960s. Staff continues to up-date the state boards and commissions online database that was launched in 2014. This online system has benefited members of the public interested in serving on a state board or commission, and the legislative and executive branches as well. Staff processes apostilles and authentications daily for our customers who seek this service for adoption records, school records and transcripts, vital records, background checks and travel documents. The division also is responsible for maintaining all Executive Orders of the Governor and Ratified Acts of the General Assembly.

Risk Assessment and Mitigation Strategies

The Secretary of State’s Office is integral in the transaction of business in the state. The duties of the office are mandated by statute. Failing to accomplish our goals and objectives would have a detrimental impact on business and the economy in South Carolina, since articles forming, amending and dissolving businesses are filed in the Secretary of State’s Office. The customers we serve include individual members of the public, business entities, nonprofits, lending institutions, the legal community, accountants, state agencies, and members of the legislative and executive branches of government.

In addition to affecting the business community, failing to meet our goals and objectives would impact charitable donors in the state of South Carolina. The Secretary of State is tasked with promoting transparency and accountability through the Solicitation of Charitable Funds Act, and taking enforcement actions against violators of the Act. The Secretary of State’s Office also works alongside the General Assembly and Governor’s Office by filing Ratified Acts and Executive Orders, as well as commissioning public officials.

<b>AGENCY NAME:</b>	<b>Secretary of State</b>		
<b>AGENCY CODE:</b>	<b>E080</b>	<b>SECTION:</b>	<b>96</b>

In order to ensure that the Secretary of State’s Office meets its goals and objectives, the General Assembly could provide the following to ensure that the office does not face a crisis in delivering services:

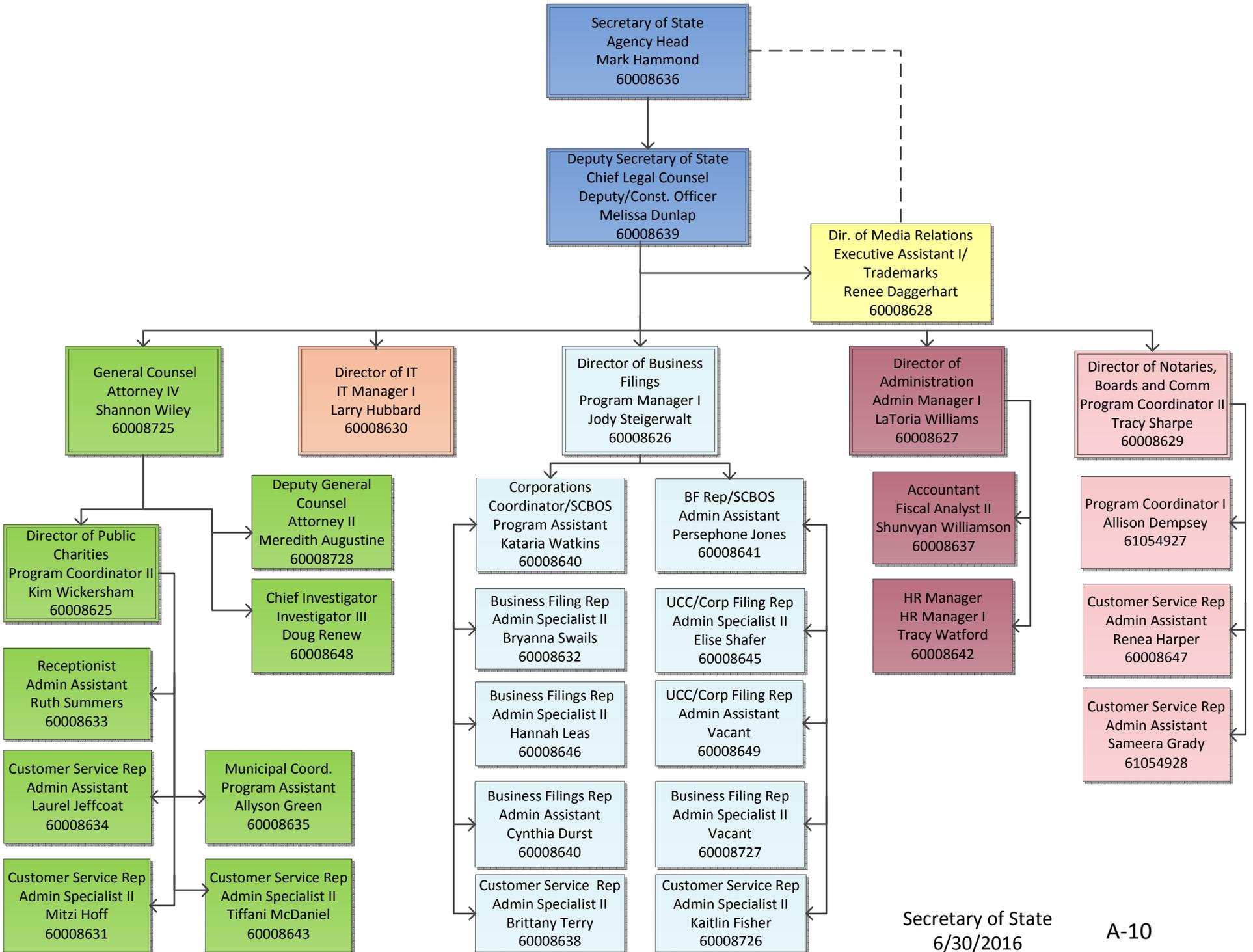
1. Provide needed resources by increasing the agency’s General Fund Appropriations. In FY 2015-2016, the SOS returned \$6,077,345.50 to the State General Fund, while receiving state appropriations of only \$1,058,894.00. This would allow the office to have adequate funds for projects critical in meeting the mission of the agency and to retain staff.
2. Provide two additional FTEs (Full Time Equivalent) positions for a Database Administrator and Investigator I. The office has an IT staff of one. With all the technology enhancements that the office strives to provide for the benefit of businesses and individual customers, an additional IT FTE would have a tremendous impact in allowing the office to reach its goals and objectives. The addition of an Investigator I would also have a huge impact on the office’s ability to protect the public through the enforcement of the Solicitation of Charitable Funds Act.
3. Fund requests for Information Technology projects and improvements to infrastructure. Supporting the Secretary of State’s Office with budget requests for needed IT projects and with disaster recovery would ensure that the office would be able to meet the needs of our customers, maintain the security of permanent state records and fulfill its mission to provide innovative technology integral to businesses throughout the state.
4. Permit the Secretary of State’s Office to maintain additional revenue collected from other funds to assist with the operations of the office with increased spending authorization.

Restructuring Recommendations

The Secretary of State’s Office has no restructuring recommendations as none are needed in this agency.

Conclusion

Throughout his tenure as South Carolina’s Secretary of State, Secretary Hammond has remained committed to providing exemplary customer service to the public while fulfilling the many statutory duties of the office. He continues to strive toward this goal through cross-training of staff and enhancing the technological services of the office. Secretary Hammond remains committed to educating the public about the services offered by the agency, as well as promoting transparency and accountability in charitable giving.



Agency Name: Secretary of State

Agency Code: E080 Section: 096

Type	Goal	Item # Strat Object	Associated Enterprise Objective	Description
G	1		Government and Citizens	Expand the number of online applications for our customers to make it easier to conduct business and increase information made available to the public with expanded online search capabilities.
S		1.1		Launch the new business filings online filing system. The application simplifies the filing process by allowing customers to file online in addition to the ability to search and retrieve certified corporate records electronically.
O		1.1.1		Increase the number of online applications offered to our customers from 3 to 5.
O		1.1.2		Provide 24/7 service to customers in creating or amending a business filing with the state.
O		1.1.3		Increase the number of business filings submitted online.
S		1.2		Create online charities inquiry/complaint/investigation form that may be submitted electronically by members of the public.
O		1.2.1		Increase the number of online applications offered to our customers from 3 to 5.
O		1.2.2		Provide 24/7 service to customers in researching and responding to customer complaints about charitable organizations soliciting in the state.
S		1.3		Launch online search tools and make available additional data for customers and the general public through the creation of a professional fundraiser report, a searchable trademark database, and a searchable cable franchise database. Expand capabilities of the online trademark searchable database which is currently available.
O		1.3.1		Make available to the public additional online information to assist with business and educational purposes.
O		1.3.2		Provide 24/7 information to customers.
G	2		Public Infrastructure and Economic Development	Increase the number of in-house applications used by staff to make it easier to serve our customers and conduct business.
S		2.1		Launch business filings in-house solution providing an in-house document management system used for filings submitted by mail or walk-in customers and a review process of all online filings before they are entered as a permanent state record.
O		2.1.1		Create faster turn-around time for corporate paper filings submitted by mail and walk-in customers. Provide review of online forms submitted for quality assurance and speed of acceptance for filing.
O		2.1.2		Replace legacy system.
S		2.2		Create new notary public in-house application system.
O		2.2.1		Provide notary staff in-house application to gather data and more easily process applications.
O		2.2.2		Greatly improve search capabilities for customer inquiries.
O		2.2.3		Improve workflow for notary renewals and mailing address changes in order to more quickly serve customers.

Agency Name: Secretary of State

Agency Code: E080 Section: 096

Type	Goal	Item # Strat	Object	Associated Enterprise Objective	Description
O			2.2.4		Replace legacy database.
G	3			Government and Citizens	Protect and educate the public through the enforcement of the Solicitation of Charitable Funds Act.
S		3.1			Collaborate with other state and federal agencies to enforce the Solicitation of Charitable Funds Act.
O			3.1.1		Participate in multi-state enforcement actions to protect the citizens of the state.
S		3.2			Provide public awareness and education on the Solicitation of Charitable Funds Act through continued statewide trainings and information on website.
O			3.2.1		Provide trainings to charity and raffle groups statewide.
O			3.2.2		Publish additional reports on the agency website to educate and protect charitable donors.
O			3.2.3		Create a charitable raffle educational brochure.
S		3			Increase enforcement actions filed with the Administrative Law Court against state and local charities that have continued to solicit contributions in the state while not complying with the registration and filing requirements of the Solicitation of Charitable Funds Act.
O			3.3.1		Protect charitable donors in the state through filing injunctions against noncompliant organizations.

**Agency Name:** Secretary of State

Fiscal Year 2015-16

Accountability Report

**Agency Code:** E080 **Section:** 096

Performance Measurement Template

Item	Performance Measure	Target Value	Actual Value	Future Target Value	Time Applicable	Data Source and Availability	Calculation Method	Associated Objective(s)
1.1.1	Increase the number of online applications offered to our customers from 3 to 5.	5	3	5	July 1-June 30	IT Reports		1.1.1
1.1.2	Provide 24/7 service to customers in creating or amending a business filing with the state.	80%	30%	80%	July 1-June 30	IT Reports		1.1.2
1.1.3	Increase the number of business filings submitted online.	80%	30%	80%	July 1-June 30	IT Reports		1.1.3
1.2.1	Increase the number of online applications.	5	3	5	July 1-June 30	IT Reports		1.2.1
1.2.2	Provide 24/7 service to customers in researching and responding to customer complaints about charitable organizations soliciting in the state.	80%	30%	80%	July 1-June 30	IT Reports		1.2.2
1.3.1	Provide public additional online information.	70%	60%	80%	July 1-June 30	Staff and IT Reports		1.3.1
1.3.2	Provide 24/7 information to customers.	80%	30%	80%	July 1-June 30	IT Reports		1.3.2
2.1.1	Create faster turn-around time for corporate paper filings submitted by mail and walk-in customers.	60%	30%	90%	July 1-June 30	IT Reports		2.1.1
2.1.2	Replace legacy system for notary division.	90%	25%	100%	July 1-June 30	Staff and IT Reports		2.1.2
2.2.1	Provide notary staff in-house application to gather data and more easily process applications.	90%	25%	100%	July 1-June 30	IT Reports		2.2.1
2.2.2	Improve search capabilities for customer inquiries.	60%	50%	80%	July 1-June 30	Staff and IT Reports		2.2.2
2.2.3	Improve workflow for notary renewals and updates.	60%	50%	90%	July 1-June 30	Staff and IT Reports		2.2.3
2.2.4	Replace legacy database for notary division.	20%	20%	90%	July 1-June 30	IT Reports		2.2.4
3.1.1	Participate in multi-state charity enforcement actions to protect the public.	3	3	2	July 1-June 30	Staff Reports		3.1.1
3.2.2	Provide statewide training on charities and raffles.	38	31	35	July 1-June 30	Staff Reports		3.2.2
3.2.3	Create a charitable raffle educational brochure.	0	0	1	July 1-June 30	Staff Reports		3.2.3
3.3.1	Protect charitable donors in the state.	0	1	5	July 1-June 30	Staff Reports		3.3.1

Agency Name:

Secretary of State

Fiscal Year 2015-16  
Accountability Report

Agency Code:

E080

Section:

096

Program Template

Program/Title	Purpose	FY 2015-16 Expenditures (Actual)				FY 2016-17 Expenditures (Projected)				Associated Objective(s)
		General	Other	Federal	TOTAL	General	Other	Federal	TOTAL	
I. Administration	This program encompasses corporate and UCC filings, charity and solicitor regulations, administration of notary, trademark, annexation, special purpose district, municipal incorporation and cable franchise laws. This program also provides administrative direction, control and support for the agency.	\$ 730,605	\$ 1,347,908	\$ -	\$ 2,078,513	\$ 730,605	\$ 1,497,908	\$ -	\$ 2,228,513	1.1.1, 1.1.2, 1.1.3, 1.2.1, 1.2.2, 1.3.1, 1.3.2, 2.1.1, 2.1.2, 2.2.1, 2.2.2, 2.2.3, 2.2.4, 3.1.1, 3.2.1, 3.2.2, 3.2.3, 3.3.1
II. Employee Benefits	This program encompasses all the fringe benefits associate with all program positions. These benefits include health and dental insurance, retirement, workers compensation and unemployment compensation benefits	\$ 328,289	\$ 139,392	\$ -	\$ 467,681	\$ 333,895	\$ 148,909	\$ -	\$ 482,804	

Agency Name: Secretary of State

Fiscal Year 2015-16  
Accountability Report

Agency Code: E080 Section: 096

Legal Standards Template

Item #	Law Number	Jurisdiction	Type of Law	Statutory Requirement and/or Authority Granted	Associated Program(s)
1	Business Filings-Corporations and Nonprofits: SC Code §33-1-101, et seq.	State	Statute	Creation and amendments to business entities and nonprofits	
2	Uniform Commercial Code: SC Code §36-9-101, et seq.	State	Statute	Filing UCC documents and conducting searches	
3	Solicitation of Charitable Funds Act: SC Code §33-56-10, et seq.	State	Statute	Enforcement of Solicitation of Charitable Funds Act	
4	Notary Public and Apostilles: SC Code §26-1-5, et seq.	State	Statute	Notary and Apostille filings	
5	State Boards & Commissions: SC Code §1-1-1301, et seq.	State	Statute	State Boards & Commissions: monitoring, commissioning, providing information	
6	Trademarks: SC Code §39-15-10 et seq.	State	Statute	Filing of state trademarks and service marks	
7	Municipal Incorporations: SC Code §5-1-10, et seq.	State	Statute	Incorporation of new municipalities	
8	Special Purpose Districts: SC Code § 6-11-335 et seq.	State	Statute	Reporting requirements for special purpose districts	
9	Service of Process: SC Code §15-9-245, et seq.	State	Statute	Secretary of State as agent for service of process	
10	Cable Franchise Authority: SC Code §58-12-5, et seq.	State	Statute	Issuance of cable franchise authority	
11	Employment Agencies: SC Code §41-25-10, et seq.	State	Statute	Filing and renewal of license for employment agencies	
12	Business Opportunities: SC Code §39-57-10, et seq.	State	Statute	Registration and renewal of business opportunities	
13	Nonprofit Raffles: SC Code §33-57-100, et seq.	State	Statute	Enforcement of nonprofit raffle legislation	
14	Escheatment of Real Property: SC Code § 27-19-10, et seq.	State	Statute	Notice and processes for land escheated to the state by death of property owner	
15	Qualified Businesses: SC Code §11-44-60	State	Statute	High Growth Small Business Job Creation Act	
16	113-200 Municipal Corporations	State	Regulation	Outlines requirements for the incorporation of municipalities	
17	113-300 Uniform Real Property Recording Act	State	Regulation	Outlines procedures for the electronic filing of real property records	
18	95.1 (SS: UCC Filing Fees)	State	Proviso	Revenues from the fees raised pursuant to Sections 36-9-525(a), not to exceed \$180,000, may be retained by the Secretary of State for purposes of UCC administration.	
19	95.4 (SS: Charitable Funds Act Disclosure Violations)	State	Proviso	The Secretary of State shall refer to the Attorney General for investigation under Section 33-56-145 of the Solicitation of Charitable Funds Act any person who is alleged to have violated the mandatory disclosure requirements of Section 33-56-90 of the Act, and who has been fined \$10,000 or more for those violations.	

20	95.5 (SS: Charitable Funds Act Misrepresentation Violations)	State	Proviso	The Secretary of State shall refer to the Attorney General for investigation under Section 33-56-145 of the Solicitation of Charitable Funds Act any person who is alleged to have violated the misrepresentation provisions of Section 33-56-120 of the Act, and who has been fined \$10,000 or more for those violations.
21	Electoral College: SC Code §7-19-70, et seq.	State	Statute	Organizes and hosts the meeting of the Electoral College following a presidential election.

Agency Name: Secretary of State

Agency Code: E080 Section: 96

Divisions or Major Programs	Description	Service/Product Provided to Customers	Customer Segments	<i>Specify only for the following Segments: (1) Industry: Name; (2) Professional Organization: Name; (3) Public: Demographics.</i>
Business Filings Division; Corporations	Files organizing documents, amendments and all other forms related to the operation of corporations, limited liability companies, limited partnerships and limited liability partnerships.	Filings of corporate documents, search and retrieval of all corporate documents, repository of permanent state records	General Public	Business owners, banks, attorneys, accountants, and individuals
Business Filings Division; UCC	Responsible for filing of Uniform Commerical Code Article 9 Secured Transactions filings.	Filing UCCs and UCC amendments; providing state repository of all UCC filings for search and retrieval; provide public notice system of UCC filings as the central filing office for financing statements regarding security interests.	General Public	Business owners, banks, attorneys, accountants, and individuals
Public Charities Division	Protecting charitable donors through the enforcement of the Solicitation of Charitable Funds Act.	Regulates charitable organizations and professional fundraisers. Regulates the registration of certain nonprofit organizations wishing to conduct raffles in the state. Oversees annual registration and financial reporting for charitable organizations.	General Public	All members of the public who donate to charitable organizations in South Carolina
Notary and Apostille Division	Commissions notaries public and maintains oaths of office. Authenticates acts of notaries or other officials through an apostille for countries that are parties to the Hague Convention and state authentications for non-member countries.	Processing notary public applications and issuing commissions. Providing statewide training on notary public laws. Authenticates acts of notaries public or officials whose signatures are filed with the SOS by issuing an apostille or state authentication.	General Public	Notaries public, attorneys, banks, individuals
Notary and Apostille Division	Commissions notaries public and maintains oath of office. Authenticates acts of notaries or other officials through an apostille for countries that are parties to the Hague Convention and state authentications for non-member countries.	Processing notary public applications and issuing commissions. Providing statewide training on notary public laws. Authenticates acts of notaries public or officials whose signatures are filed with the SOS.	Legislative Branch	
Trademark Division	Registers trademarks and service marks for use within the state of South Carolina.	Examining and filing trademark and service mark applications. Maintaining trademark and service mark database for customer search. Processes renewals every five years.	General Public	Business owners and individuals

Boards and Commissions	Files oaths for elected officials and appointments made by the Governor, issues commissions and maintains records of terms. Provides the public up- to- date information on vacancies on boards and commissions as well as expired terms.	General Public	Individuals
Boards and Commissions	Files oaths for elected officials and appointments made by the Governor, issues commissions and maintains records of terms. Provides the public up- to- date information on vacancies on boards and commissions as well as expired terms.	Executive Branch/State Agencies	
Boards and Commissions	Files oaths for elected officials and appointments made by the Governor, issues commissions and maintains records of terms. Provides the public up- to- date information on vacancies on boards and commissions as well as expired terms.	Legislative Branch	
Service of Process	Delivery of a summons and complaint or other legal document to a person, entity, or registered agent to provide notice of a pending legal action. The Secretary of State serves as registered agent for service of process for foreign corporations not authorized to do business in South Carolina and other entities that do not maintain a registered agent in this state.		Legal community, business community and individuals
Municipalities and Cable Franchise Authority, and Special Purpose Districts	Reviews proposed petitions for incorporation of municipalities and works with Joint Legislative Committee on Municipal Incorporation to determine possible incorporation. Files records of all annexations and maintains and publishes records of all special purpose districts at the end of every even-numbered year.	Local Govts.	
Municipalities and Cable Franchise Authority, and Special Purpose Districts	Reviews proposed petitions for incorporation of municipalities and works with Joint Legislative Committee on Municipal Incorporation to determine possible incorporation. Files records of all annexations and maintains and publishes records of all special purpose districts at the end of every even-numbered year.	General Public	Individuals

---

Municipalities and Cable Franchise  
Authority, and Special Purpose Districts

Reviews proposed petitions for incorporation  
of municipalities and works with Joint  
Legislative Committee on Municipal  
Incorporation to determine possible  
incorporation. Files records of all annexations  
and maintains and publishes record of all  
Special Purpose Districts at the end of every  
even-numbered year. Legislative Branch

---

Agency Name: Secretary of State

Fiscal Year 2015-16  
Accountability Report

Agency Code: E080 Section: 096

Partner Template

Name of Partner Entity	Type of Partner Entity	Description of Partnership	Associated Objective(s)
Department of Revenue	State Government	DOR and SOS work together on administrative dissolutions of business entities that are not in statutory compliance with the requirements to remain in good standing as a business in the state. In addition, the SOS notifies the DOR daily on the formations of new business entities.	<b>1.1.2 and 1.13</b>
South Carolina Interactive	Non-Governmental Organization	SCI and SOS partner to create innovative IT solutions for our customers at minimal or no cost to taxpayers. Our current project is the online submission of business filings for entities such as corporations, nonprofits, and limited liability companies.	<b>1.1.1,1.1.2,1.1.3,1.3.1,1.3.2,2.1.1 and 2.1.2</b>
Department of Administration	State Government	The Department of Administration Division of Technology and SOS partner to provide off-site storage for the permanent records of the SOS as part of the SOS disaster recovery plan, and in implementing the statewide IT security plan.	<b>1.1.2,1.2.2 and 2.1.2</b>
South Carolina Business One Stop (SCBOS)	State Government	The SOS provides CL-1 information to DOR through SCBOS and provides daily reports to DOR on the formation and closure of businesses. Administrative dissolutions of entities are also processed through a joint SOS and SCBOS project.	<b>1.1.2 and 1.1.3</b>
TIBA Solutions	Non-Governmental Organization	SOS and TIBA partner to provide online solutions to enforce the Solicitation of Charitable Funds Act and protect charitable donors in South Carolina.	<b>3.1.1,3.2.1,3.2.3 and 3.3.1</b>

Agency Name: Secretary of State

Fiscal Year 2015-16  
Accountability Report

Agency Code: E080 Section: 096

Report Template

Item	Report Name	Name of Entity Requesting the Report	Type of Entity	Reporting Frequency	Submission Date (MM/DD/YYYY)	Summary of Information Requested in the Report	Method to Access the Report
1	Restructuring Report	House Legislative Oversight Committee	State	Annually		Agency restructuring if needed	<a href="http://www.scstatehouse.gov">www.scstatehouse.gov</a>
2	Accountability Report	Executive Budget Office	State	Annually	9/15/2016	Report on agency performance, goals, and objectives	<a href="http://www.sos.sc.gov">www.sos.sc.gov</a>
3	Restructuring Report	Senate Oversight Committee	State	Annually		Restructuring if needed	Contact the agency
4	High Growth Small Business Job Creation Act	House Ways & Means, Senate Finance, & the Governor	State	Annually	1/31/2016	Pursuant to SC Code §11-44-60, the Secretary of State publishes an aggregated statewide report with the number of qualified businesses, amount of capital raised, number of jobs created, and average wages	<a href="http://www.sos.sc.gov">www.sos.sc.gov</a>
5	Agency Fines and Fee Report	Chair of Senate Finance and House Ways & Means	State	Annually	9/16/2016	Agency fees and fines collected	<a href="http://www.sos.sc.gov">www.sos.sc.gov</a>
6	Agency Debt Collection Report	Executive Budget Office	State	Annually	3/1/2016	This report details the amounts of outstanding debt and all methods used to collect debt	Contact the agency
7	Other Funds Survey	Revenue and Fiscal Affairs & Executive Budget Office	State	Annually	11/1/2016	This report gathers information about agency other funds to be used when writing the budget	Contact the agency
8	Procurement Report	State Fiscal Accountability Authority (SFAA)	State	Quarterly	April, July, October and January	Reporting on any illegal and sole sourced procurements by the agency	Contact the agency
9	Wage & Contribution Report	Department of Employment Workforce (DEW)	State	Quarterly	April, July, October and January	Employee's wages of covered employees for unemployment insurance	Contact the agency
10	MBE Utilization Plan	Small and Minority Business Contracting and Certification (SMBCC)	State	Annually	7/5/2016	Pursuant to SC Code §11-35-5240, agency's goal to spend certain percentage of the fiscal years operating income with small and minority businesses	Contact the agency
11	MBE Progress Report	Small and Minority Business Contracting and Certification (SMBCC)	State	Quarterly	October, January, April and July	Agency minority spending progress to meet utilization plan	Contact the agency
12	EEO Progress Report	South Carolina Human Affairs	State	Annually	10/19/2016	Report on agency's progress required by Proviso 117.14 of Appropriations Act (Affirmative Action)	Contact the agency
13	Payroll Report	South Carolina State Accident Fund	State	Annually	7/9/2016	Reports of agency's gross payroll and number of employees, along with agency's Drug and Alcohol Free Workplace Policy	Contact the agency
14	Compensated Absence Report	Comptroller General's Office	State	Annually	7/22/2016	A report of the employees balances of annual leave and comp time that are a liability to the financial statements of the state	Contact the agency

15	Capital Assets Report	Comptroller General's Office	State	Annually	9/16/2016	Reports on the agency's capital assets for the fiscal year. Informs the Comptroller General's Office that a physical inventory was done and if any adjustments were needed to the asset ledger	Contact the agency
16	Cash and Investments Report	Comptroller General's Office	State	Annually	7/22/2016	This report gathers information regarding the types of cash and investments owned by an agency	Contact the agency
17	Operating Lease Report	Comptroller General's Office	State	Annually	8/26/2016	The report focuses on the terms of noncancelable operating leases	Contact the agency
18	Accounts Payable Report	Comptroller General's Office	State	Annually	9/9/2016	This report focuses on accounts payable	Contact the agency
19	Litigation Report	Comptroller General's Office	State	Annually	7/22/2016	This report provides information relating to any legal matter that may arise during the year requiring the agency to consult outside counsel for legal advice or representation	Contact the agency
20	Fund Balance Report	Comptroller General's Office	State	Annually	8/26/2016	This report gathers information regarding constraints on the use of revenue sources and resulting fund balance	Contact the agency
21	Unearned Revenue Report	Comptroller General's Office	State	Annually	8/26/2016	This report gathers information on unearned revenue for charges for services and other operational activity	Contact the agency
22	Subsequent Events Report	Comptroller General's Office	State	Annually	10/24/2016	This report identifies information obtained subsequent to submission of the Master Reporting Package which impacts the accuracy of the information provided	Contact the agency

Agency Name: Secretary of State

Fiscal Year 2015-16  
Accountability Report

Agency Code: E080 Section: 096

Oversight Review Template

Item	Name of Entity Conducted Oversight Review	Type of Entity	Oversight Review Timeline (MM/DD/YYYY to MM/DD/YYYY)	Method to Access the Oversight Review Report
1	SC Office of the State Auditor	State	07/14/2015-08/07/2015	<a href="http://www.osa.sc.gov">www.osa.sc.gov</a>
2	SC Office of the State Auditor	State	07/07/2014-07/30/2014	<a href="http://www.osa.sc.gov">www.osa.sc.gov</a>
3	Department of Administration	State	07/22/2016-07/22/2016	Contact agency
4	Department of Administration	State	07/13/2015-07/13/2015	Contact agency