

SECRETARY OF STATE'S OFFICE
HOUSE BUDGET REQUEST
2025 - 2026



Secretary of State's Office Key Officials Fiscal Year 2025-2026

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Agency Overview

Statutory Duties

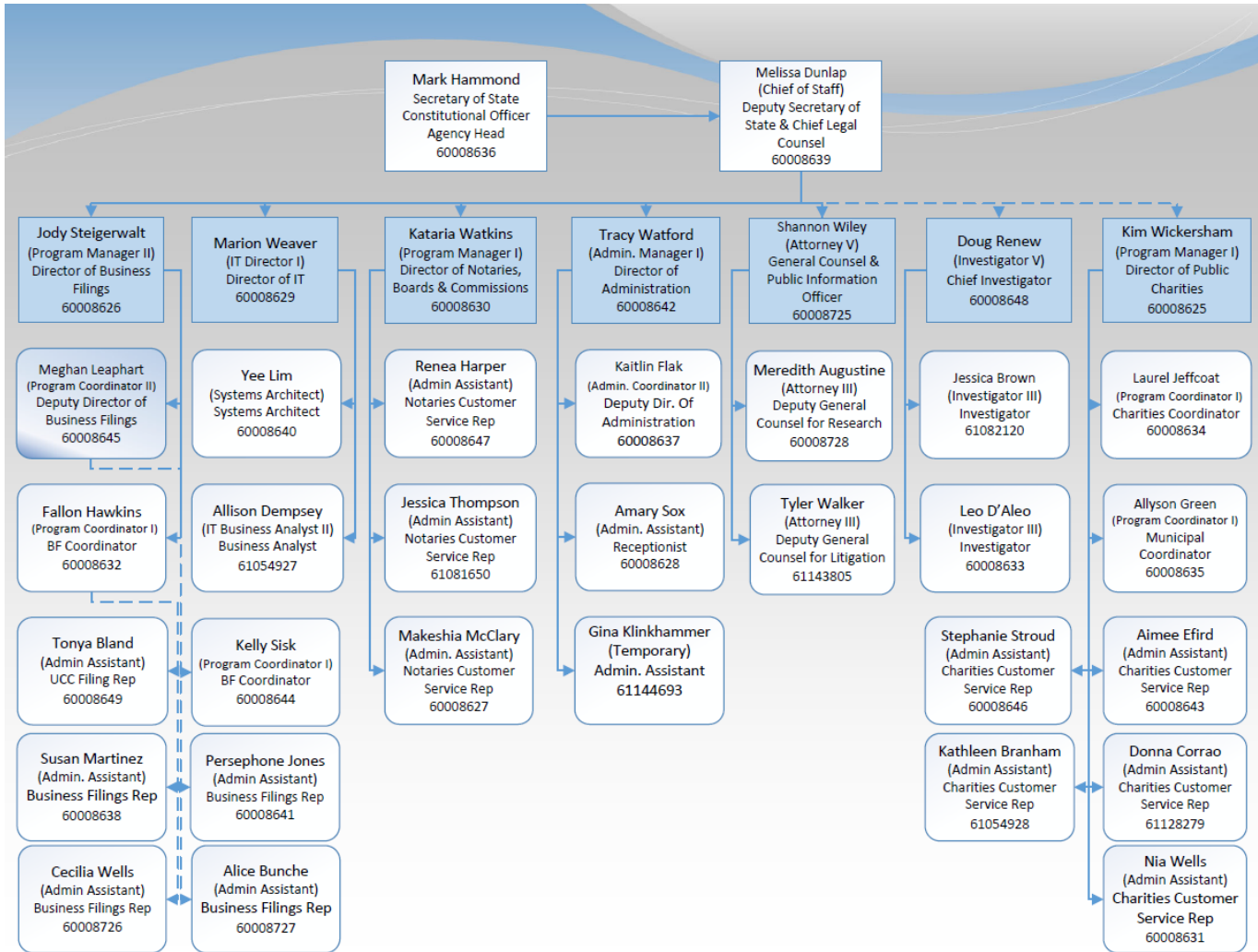
The Office of the Secretary of State is mandated by the South Carolina Code of Laws to serve as the state filing office for business corporations, nonprofit corporations, limited partnerships, limited liability partnerships, and limited liability companies, as well as for all Uniform Commercial Code Article 9 secured transaction filings. The Secretary of State also serves as the agent for service of process for corporations that do not have authority to transact business in South Carolina and serves as registered agent as otherwise provided by statute. In addition, the Secretary of State's Office examines, and files state trademarks, registers structured settlement purchase companies, 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, nonprofit raffles, business opportunities and employment agencies.

Secretary of State's Office 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.

Secretary of State's Office Organizational Chart

Fiscal Year 2024 - 2025



Secretary of State's Office Budget Request Summary

Fiscal Year 2025-2026

Budget Request Summary

I. New FTE in the Division of Public Charities – Administrative Assistant \$66,606 (includes fringe)

- The Secretary of State's Office has the responsibility of enforcing the Solicitation of Charitable Funds Act.
- In FY2023-24, over 17,000 charitable organizations registered or filed annual applications for registration exemption with the Secretary of State's Division of Public Charities.
- Initial charity registrations increased by 8.7%, a 1.5% increase over the previous year.
- As a result of continued collection of fine revenue for violations of the Solicitation of Charitable Funds, the office remitted over \$810,000 in fine revenue to the General Fund.
- An Administrative Assistant FTE is needed for the Division of Public Charities in order to meet the challenges of this increase in volume, in fulfilling statutory requirements, and providing customer service to assist individuals and Charitable organizations filing with the agency.

II. Other Funds Authorization Increase - \$150,000

- The office is seeking an increase of \$150,000 in spending authority to be spread throughout the programs in the agency to include agency retention, recruitment, along with information technology projects.
 - Approximately \$120,000 of that increase would be dedicated to retaining employees.
 - This funding will support recruitment efforts in light of several impending retirements.
 - The remaining requested funding will be spent on information technology projects. The agency continues to expand its IT services for customers to provide up-to-date, secure, and convenient infrastructure and security.

III. Other Funds Retirement, Health, and Pay Allocation – \$55,223

- The requested funding would support all divisions of the agency which are staffed by employees whose compensation is supported by other funds. Therefore, all goals and strategies the office seeks to meet would be impacted by the fulfillment of this funding request.
- The Secretary of State's Office has 16 FTEs supported by other funds. This funding request would support the Pay Plan Allocation in FY24-25 (\$46,676), along with the increase to the employer portion of health insurance. (\$8,547).

Secretary of State's Proviso Requests

Constitutional Subcommittee Proviso Request Summary FY25-26				
Proviso # in FY 24-25 Act	Renumbered FY 25-26 Proviso #	Proviso Title	Short Summary	Agency Recommended Action (keep, change, delete, add)
96.1	96.1	UCC Filing Fees	Revenues from the fees raised pursuant to SC Code Section 36-9-525(a), not to exceed \$180,000, may be retained by the Secretary of State for purposes of UCC administration.	Keep
96.2	96.2	Charitable Funds Act Disclosure Violations	The Secretary of State shall refer to the Attorney General for investigation under SC Code 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.	Keep
96.3	96.3	Charitable Funds Act Misrepresentation Violations	The Secretary of State shall refer to the Attorney General for investigation under SC Code 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.	Keep
	96.4	Charitable Funds Act Administration & Enforcement	Fine revenue collected, not to exceed \$150,000, may be retained by the Secretary of State for the administration and enforcement of the Solicitation of Charitable Funds Act pursuant to Section 33-56-160, in addition to the first two hundred thousand dollars in administrative fines currently retained by the office to administer the enforcement of the Act.	Add

Carry-forward Fiscal Year 2023-2024

Balance Display: G/L Accounts For the Ledger ZL				
Document Currency Document Currency Document Currency Individual Account				
Account Number	1000000000 CASH DUE TO/FROM			
to	11ZZZZZZZZ			
Company Code	SC01 State of South Carolina			
Fiscal Year	2024			
Display More Chars				
All Documents in Currency * Display Currency USD Company code currenc				
Period	Debit	Credit	Balance	Cumulative balance
Bal. Carryfo...				5,307,626.24
1	7,387,971.64	6,134,914.48	1,253,057.16	6,560,683.40
2	1,081,370.31	799,510.77	281,859.54	6,842,542.94
3	569,299.67	561,069.86	8,229.81	6,850,772.75
4	593,949.70	848,046.71	254,097.01-	6,596,675.74
5	243,506.11	402,388.76	158,882.65-	6,437,793.09
6	272,044.07	335,648.36	63,604.29-	6,374,188.80
7	368,022.86	486,059.35	118,036.49-	6,256,152.31
8	411,669.76	533,839.38	122,169.62-	6,133,982.69
9	256,616.28	378,036.79	121,420.51-	6,012,562.18
10	604,066.43	661,990.55	57,924.12-	5,954,638.06
11	545,569.36	1,836,873.14	1,291,303.78-	4,663,334.28
12	1,794,684.73	1,997,702.68	203,017.95-	4,460,316.33
13	4,602.50	18,375.83	13,773.33-	4,446,543.00
14				4,446,543.00
15				4,446,543.00
16				4,446,543.00
Total	14,133,373.42	14,994,456.66	861,083.24-	4,446,543.00

Maintaining carryforward funds is crucial for the agency’s financial stability. These funds are essential in the event the agency encounters unexpected expenses, a downturn in revenue, or potential budget cuts in the future. This ensures that essential programs continue without interruptions.

The agency utilizes carryforward funding to support projects with the Department of Administration. The Secretary of State’s Office has continuously relied on carryforward funds to upgrade and improve the office environment for staff and customers. Necessary security and safety measures were implemented for all staff by securing access to the office and providing secure workspaces for employees. Currently, we have initiated a project with the Division of Facilities Management and Property Services to replace old, outdated ceiling tiles, air registers, and office lighting with energy-efficient LED lighting throughout the agency.

Budget vs Actual Fiscal Year 2024

FM Budget vs Actual Fiscal Year 2023 - 2024										
Author		JGRANT		Status of Data		1/8/2025 04:46:43				
Chart		Filter		Information						
Table										
Budget Act Cl		Fund (High Level)	Original Budget	Budget Adjustments	Current Budget	MTD Actual Expense	YTD Actual Expense	Balance Before Commitments	Commitments and Other Transactions	Remaining Balance
501005	SEC OF STATE	GENERAL FUND	\$ 135,000.00		\$ 135,000.00		\$ 135,000.00	\$ 0.00		\$ 0.00
501058	CLASSIFIED POS	GENERAL FUND	\$ 834,712.00	\$ 3,858.74	\$ 838,570.74		\$ 838,570.74	\$ 0.00	\$ 0.00	\$ 0.00
		EARMARKED FUNDS	\$ 1,149,914.00	\$ 16,494.43	\$ 1,166,408.43		\$ 1,166,408.43	\$ 0.00	\$ 0.00	\$ 0.00
501059	NEW POS-CLASS	EARMARKED FUNDS	\$ 69,900.00	-\$ 69,900.00	\$ 0.00			\$ 0.00		\$ 0.00
501060	UNCLASS POSITIONS	GENERAL FUND		\$ 58,000.00	\$ 58,000.00		\$ 58,000.00	\$ 0.00	\$ 0.00	\$ 0.00
		EARMARKED FUNDS		\$ 136,211.84	\$ 136,211.84		\$ 136,211.84	\$ 0.00	\$ 0.00	\$ 0.00
501070	OTH PERS SVC	GENERAL FUND		\$ 269.09	\$ 269.09		\$ 269.09	\$ 0.00		\$ 0.00
		EARMARKED FUNDS	\$ 65,000.00	-\$ 44,418.34	\$ 20,581.66		\$ 20,581.66	\$ 0.00		\$ 0.00
512001	OTHER OPERATING	GENERAL FUND	\$ 16,600.00	-\$ 269.09	\$ 16,330.91		\$ 16,330.91	\$ 0.00	\$ 0.00	\$ 0.00
		EARMARKED FUNDS	\$ 1,231,494.00	-\$ 99,116.14	\$ 1,132,377.86		\$ 1,131,332.51	\$ 1,045.35	\$ 0.00	\$ 1,045.35
513000	EMPLOYER CONTRIB	GENERAL FUND	\$ 391,568.00	\$ 28,711.00	\$ 420,279.00		\$ 420,279.00	\$ 0.00	\$ 0.00	\$ 0.00
		EARMARKED FUNDS	\$ 534,842.00	\$ 60,728.21	\$ 595,570.21		\$ 595,570.21	\$ 0.00	\$ 0.00	\$ 0.00
561000	MISC OPS	GENERAL FUND		\$ 0.00	\$ 0.00			\$ 0.00		\$ 0.00

Budget vs Actual Fiscal Year 2025 Period 7

FM Budget vs Actual Fiscal Year 2024 - 2025 Period 7													
Author		JGRANT		Status of Data								1/7/2025 04:34:15	
Chart		Filter		Information									
Table													
Funded Program - Bud	Budget Act Cl		Fund (High Level)	Original Budget	Budget Adjustments	Current Budget	MTD Actual Expense	YTD Actual Expense	Balance Before Commitments	Commitments and Other Transactions	Remaining Balance		
ADMINISTRATION	501005	SEC OF STATE	GENERAL FUND	\$ 135,000.00		\$ 135,000.00	\$ 5,625.00	\$ 73,125.00	\$ 61,875.00		\$ 61,875.00		
	501058	CLASSIFIED POS	GENERAL FUND	\$ 996,323.00	\$ -40,000.00	\$ 956,323.00	\$ 46,328.55	\$ 542,377.24	\$ 413,945.76		\$ 413,945.76		
			EARMARKED FUNDS	\$ 1,219,814.00	\$ -125,000.00	\$ 1,094,814.00	\$ 47,503.31	\$ 658,530.62	\$ 436,283.38		\$ 436,283.38		
	501060	UNCLASS POSITIONS	GENERAL FUND		\$ 40,000.00	\$ 40,000.00	\$ 2,068.55	\$ 28,959.70	\$ 11,040.30		\$ 11,040.30		
			EARMARKED FUNDS		\$ 125,000.00	\$ 125,000.00	\$ 6,205.65	\$ 78,604.90	\$ 46,395.10		\$ 46,395.10		
	501070	OTH PERS SVC	EARMARKED FUNDS	\$ 65,000.00	\$ 0.00	\$ 65,000.00	\$ 1,318.60	\$ 13,794.60	\$ 51,205.40		\$ 51,205.40		
	512001	OTHER OPERATING	GENERAL FUND	\$ 16,600.00		\$ 16,600.00		\$ 14,782.52	\$ 1,817.48	\$ 0.00	\$ 1,817.48		
			EARMARKED FUNDS	\$ 1,326,494.00	\$ 0.00	\$ 1,326,494.00	\$ 5,049.33	\$ 610,940.85	\$ 715,553.15	\$ 85,427.96	\$ 630,125.19		
STATEWIDE PAY PLAN	561000	MISC OPS	GENERAL FUND		\$ 34,043.00	\$ 34,043.00			\$ 34,043.00		\$ 34,043.00		
STATE EMPLOYER CONTR	513000	EMPLOYER CONTRIB	GENERAL FUND	\$ 420,279.00	\$ 16,274.00	\$ 436,553.00	\$ 23,730.49	\$ 279,670.39	\$ 156,882.61		\$ 156,882.61		
			EARMARKED FUNDS	\$ 625,164.00	\$ 0.00	\$ 625,164.00	\$ 23,488.69	\$ 316,248.61	\$ 308,915.39	\$ 0.00	\$ 308,915.39		

Secretary of State's Office Summary of Efficiencies & Successes Fiscal Year 2024

The Secretary of State's Office remitted to the State General Fund over \$13.4 million dollars in FY 24. In FY 24, the office received general fund appropriations of \$1,468,202 and other funds authorization of \$3,051,504, for a total budget of \$4,519,352. Starting in FY 25, the office received general fund appropriations of \$1,568,202, and other funds authorization of \$3,234,472, for a total agency budget of \$4,804,674.

General Fund Appropriations 2023 – 2024 Plus Allocations

- \$1,377,880.00 + \$90,322 = \$1,468,202

Expenditures By Division:

Administration including Legal Division \$605,006

IT Division: \$52,737

Notaries, Boards & Commissions, and Authentications: \$283,582

Business Filings: \$406,264

Investigations: \$108,856

IT: \$11,757

Other Funds Authorization Fiscal Year 2023 – 2024

- Authorized \$3,051,150
- Expended \$3,050,105
- Carry-Forward \$1,045

Expenditures By Division:

Administration including Legal Division: \$1,009,013

Business Filings: \$319,729

Charities Division: \$542,035

IT Division: \$399,745

Notaries Division: \$58,477

Investigations: \$189,125

IT Expenditures: \$531,981

Highlights of FY24

Charities Division

Give Smart App:

- Free App for Apple and Google phones
- Search charities and the percentage of revenue going toward program services
- View annual financial reports
- Submit complaints on your phone now in addition to on our website

Online Tutorials:

- Seven new online tutorials for customers filing with our online Charities, Professional Fundraisers and Solicitors, and Raffles system

Launched new Charitable Giving Public Service Announcement:

- Educates the public about wise charitable giving
- Informs public of information available about charities at the Secretary of State
- Informs the public of the Give Smart App for mobile phones

New Attorney for the Charities Division:

- Ability to hire a new attorney for the legal division based on legislative approval of the agency's prior budget request
- From July 1 to December 31, 2024, the new attorney filed over twelve court actions.

- Goal for FY 25 is to increase the number of enforcement actions to 30 hearings.

Compliance with the Solicitation of Charitable Funds Act

- Record amount of fines: \$1,010,461
- \$810,461 sent to the State General Fund

Division Filings & Customer Service

- Registrations: 17,463
- Extensions Filed: 9,938
- Annual Financial Reports: 17,153
- Professional Fundraiser Registrations: 1,342
- Professional Fundraiser Contracts and Annual Financial Reports: 2,298
- Raffle Registrations and Financial Reports: 1,647
- Over 18,000 customers assisted via telephone calls
- Over 500 walk-in customers served

Notaries Division

- Over 21,000 notary filings were processed, and over 13,000 apostilles and authentications were processed.
- Online notary status change features were launched to increase efficiency and provide increased customer service options.
- New online payment option or new notary applications and renewals for existing notaries; faster turn-around-time for applicant convenience.
- Update name change or address, request duplicate notary commission, or submit notary resignations
- Creation of Electronic Notary Online including application process, educational component, and receipt of certificate
- Seven Notary Public Seminars conducted statewide
- Over 8,500 calls and over 3,200 walk-in customers assisted

Business Filings Division

Corporations:

- Corporate Filings: over 182,000; filings increased 20% from FY 23
- Online filings adoption rate at 90%
- 24/7-hour turn-around-time

Uniform Commercial Code:

- UCC Filings: over 111,000 filed with an online adoption rate of 85%
- This division filed over 293,000 documents and processed an additional 229,000 document requests.

- Excellent customer service continued with the online filing capabilities.
- Over 53,000 customers were assisted via telephone and over 3,600 were assisted in person.
- 24/7-hour turn-around-time

Investigations Division

- Investigated 792 charity-related complaints
- Investigated 27 trademark violation cases
- Seizure of over \$4,010,295 in counterfeit goods
- 19 cease and desist letters sent
- Worked with the Department of Homeland Security
- Assisted as experts in the identification of counterfeit goods
- Assisted in interception in over \$725,765 in counterfeit goods before they reached the public in SC
- Investigated over 539 charitable organizations for violations of the SC Solicitation of Charitable Funds Act

Legal Division & Administration

Legal staff supports each division of the agency and works directly with the Secretary of State, Administration, Division Directors, and all staff. Legal staff also work closely with the IT Division in the development of new online filing capabilities and is an integral component of the success of the agency. Legal and Administrative staff work to ensure excellent customer service for the agency along with each of the divisions in the office.

Information Technology Division

The IT Division also supports the entire office 24/7. Our IT staff provides internal and external customer service. Our online projects, filing options, day-to-day operations and security would not be possible without our IT staff. Current projects include a new online trademark filing system and enhanced services for our charities filings.

Total Agency Filings in FY 24 were over 609,988

Secretary of State's Office FTEs

Authorized FTEs – 35

- State Funds – 19
- Other Funds – 16

Filled FTE – 35

- State Funds – 19
- Other Funds – 16

Vacant FTE – 0