



Texas Secretary of State
ELECTIONS DIVISION



Primary Election Finance Guide

A Comprehensive Overview for County Chairs and Election Officers



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ELECTIONS DIVISION



Primary Fund Basics



Key Definitions

SOS – Office of the Secretary of State

Primary – Election to select party nominees (includes presidential primaries)

Runoff – Held when no candidate secures required votes in the primary

County Election Officer – Local official responsible for elections

Vendor – Certified voting system provider

TEC – Texas Election Code

TAC – Texas Administrative Code



Transfer of Primary-Election Records (Part 1)

 The county chair must transfer all primary-election records, including financial records, to their successor or the appropriate county committee.

 This must occur within 30 days of the new chair's term start or earlier, per Texas Election Code *§171.028*.

 Texas Election Code *§171.028* provides a **criminal penalty** for failure to transfer records to the new county chair.



Transfer of Primary-Election Records (Part 2)

If a vacancy occurs in the office of county chair:

- The county executive committee shall appoint a custodian of primary-election records.
- The custodian serves until a new county chair is appointed or elected.



Transfer of Primary-Election Records (Part 3)



If the final cost report has not been finalized at the time of transfer or vacancy:

- The incoming chair or appointed custodian and the outgoing chair must coordinate.
- They are responsible for completing the primary finance process, including disbursement of county chair compensation.



Transfer of Primary-Election Records (Part 4)

 Payments issued by the Comptroller of Public Accounts are payable to the **county party chair**, not the individual.

- ☒ The person with access to the primary fund must ensure:
 - Final payments are issued properly.
 - The primary fund is closed out in accordance with TAC Rules §§81.102 and 81.103.



Primary Funds Defined

A dedicated account established for each political party's executive committee conducting a primary election.

- **Sources of the Fund:**
-  **Filing Fees** – From candidate applications
-  **State Funds** – Paid to the party chair
-  **Contributions** – For primary election expenses
-  **Income Earned** – Interest or other earnings

 **Refunds** of any expenditures are returned to the primary fund.

TEC §§173.031 & 173.032
TAC Rule §81.106



Primary Fund Bank Account Requirements

Account Setup & Management

-  **Dedicated Bank Account** required for all primary funds
-  **Interest earned** becomes part of the primary fund
-  **Monthly bank reconciliations** required

Payment & Deposit Guidelines

-  **Payments from Comptroller** made to the **county chair (not individual)**
-  **Direct deposit** is preferred; forms available from the Comptroller
-  **No commingling** of primary funds with other accounts
-  **Checks must include:** "VOID AFTER 180 DAYS"



Setting up the Primary Fund (Part 1)

- All Primary funding must be deposited into the Party's Primary Fund.
- If the Party does not have a Primary Fund, one must be set up.
- Primary Funds must be kept separate from Party contributions.
- If the Party is unable to open a Primary Fund, the State Party can act as fiscal agent.
 - The State Party may, upon request of the Chair, accept funding and act as fiscal agent. (TAC Rule §81.136)



Setting up the Primary Fund (Part 2)

- Banks may require a letter of appointment from the State Chair.
- Use the EIN number to set up the account, ***not*** your social security number.
- The bank account should be styled as:
 - “_____ County Democratic/Republican Primary Fund”
- Checks should be issued from the Primary Fund to pay non-contracted Primary expenses.



Deposits & Itemized Records



Deposit Responsibilities

- The **county chair** or an **authorized agent** must:
 - Deposit **all filing fees, contributions, and receipts** into the primary fund
 - Maintain an **itemized list** of all deposits, including **candidate filings**



Verification by Secretary of State

- SOS will verify the **itemized list of candidate filings**
- Cross-referenced with data reported under:
 - *§172.029, TEC*



Direct Payments & Fiscal Agent Option

Direct payments from SOS to county election officers (per §173.0832, TEC)

State Chair may act as fiscal agent for county party (per §173.0341, TEC)

- Requires agreement using SOS-prescribed form



Conflicts of Interest (Part 1)

Disbursement Limitations:

- No payments from the primary fund may be made to:
 - The **county chair personally**
 - Any **entity/business** with financial ties to:
 - The **party**
 - The **county chair**
 - The **county chair's spouse**
 - The **county chair's family**

Exceptions:

- **Seminar** Travel Reimbursement
- Compensation for **election day workers**
- **Incidental administrative costs**
- The **county chair's compensation**



Conflicts of Interest (Part 2)

Definition of "Family":

- Related by **blood** within the **third degree of consanguinity**
- Related by **marriage** within the **second degree of affinity**

Discounted Costs:

- Reduced rates (**e.g., discounted lease**) are still subject to these restrictions.



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Primary Fund Reporting



Scope & Responsibility

Rules apply to all **primary funds**

SOS approval of cost estimates does **not waive compliance** with laws or rules

All entities (chairs, officers, vendors) must follow SOS rules and statutes



Misuse or Misappropriation of Primary Funds



Misuse or Misappropriation of Funds - The Secretary of State (SOS) shall refer any misuse or misappropriation of primary funds to the appropriate prosecuting authority for enforcement of all civil and/or criminal penalties.

- **Prosecuting Authority** - Includes, but is not limited to, the **Office of the Attorney General**.
- **Definition of Misuse** - Misuse includes failure to comply with **reporting requirements** prescribed by the **Texas Election Code** or **Texas Administrative Code**.



Primary Cost Estimates

SOS provides estimates in 3 categories:

- **County Chair** – 75% of non-contracted costs (less filing fees)
- **County Election Officer** – 75% of contracted costs
- **Vendor** – Must submit estimates in SOS format

Estimates are based on **most recent comparable election**

Submitted via **SOS-prescribed** electronic system

Estimate payments will not be available prior to November 1, 2025



Runoff Election Estimates

Same process as primary, with two key differences:

- **Filing fees excluded** from calculation
- **Must submit runoff estimates** within 10 days after primary



Vendor Reporting of Actual Expenditures

Vendors must submit final costs in SOS format

- Only **billable expenses** allowed
- Split costs must be reported separately
- Must identify who ordered the service (chair or officer)
- **Chair earns 5%, officer earns 10%** of services they order
- **No final payments** until vendor data is received



Reporting by Chairs & Election Officers

County Chair reports their costs (per §81.119, TAC)

County Election Officer reports their costs (per §81.131, TAC)

Must use SOS-prescribed electronic system



Submitting Estimates & FCRs

Use the SOS-prescribed electronic system.

Submit estimates and the final cost report through the system.

Contact Election Funds Management at 800-252-2216 (Option 3) or efmadmin@sos.texas.gov for help.



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Planning for the Primary



Primary Election Services Contract (Part 1)



Model Contract

- SOS provides a **Primary** and **Joint Primary** Model Contract
- Available upon request from the SOS



Contract Execution

- County chair may use the Model Contract to formalize services with the **county election officer**
- Contractible services listed in **Chapter 31, Subchapter B, TEC**



Primary Election Services Contract (Part 2)



Customization & Cost Responsibility

- Model Contract may be **revised** to reflect specific agreements
- **Non-required activities** must be clearly identified and assigned to either party
- Each party reports its own costs via the **SOS online finance system**
 - **County Chair**: Eligible for compensation (per §173.004, TEC)
 - **Election Officer**: Eligible for 10% **general supervision fee** (per §31.100, TEC)



Cost Reporting & Reimbursement

- Election officer must submit **actual cost accounting** to the chair and SOS
- SOS reimburses only **actual, eligible costs**
- **Flat fees** must be justified unless authorized by statute



Primary Election Services Contract (Part 3)

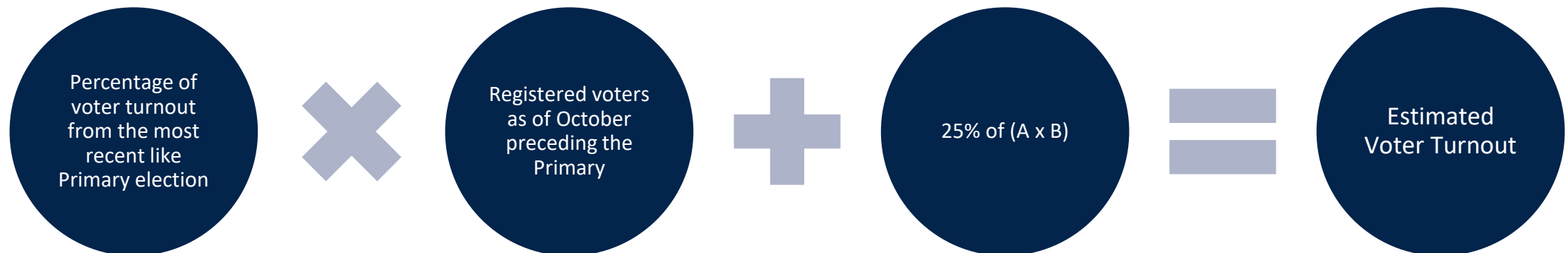
⊘ Restrictions

- **County employee salaries are not reimbursable**
- Election officers **cannot contract out** duties they are legally required to perform
- **Supervision fee** not allowed on subcontracted services with surcharges

TAC Rule §81.131



Planning for the Primary – Estimating Turnout



TAC Rules §§81.116 &
81.152



Planning for the Primary – Other Formulas

The formula in **TAC Rules §§81.117** and **81.149** may be used to calculate number of workers per polling location.

The formula in **TAC Rule §81.124** may be used to calculate number of ballots per polling location.

The formula in **Texas Administrative Code Rule §81.125** may be used to calculate number of ballot counters per polling location.

Ensure there are adequate resources to serve the voters.



Key Election Statistics to Report

Voter Turnout

Polling Places & Precincts

Shared Polling Locations

Public Buildings Used

Early Voting Stations

Ballots & Election Kits Ordered

Joint Primary & Contracting Status

Tabulation Method (Hand Count or Electronic)

These figures are often held by the custodian of election records. Coordinate with your County Election Officer.

Be sure to distinguish between official joint primaries and informal resource sharing.



Counties without County Party Leadership

When Does This Apply?

- The **county election officer** must contract with the **state chair** if:
 - The **county executive committee** lacks enough members to fill the vacancy
 - A **temporary executive committee** cannot be formed (per §171.027, TEC)
 - The election involves a **statewide, multicounty, or presidential primary**

Contracting & Reimbursement

- The **county election officer** and **state chair** must enter into a contract
- The contract must allow the state chair to be **reimbursed** like a county chair (per §172.128 and Chapter 173, Subchapter D)
- The **state party** reports costs to the SOS
- SOS provides **funding** consistent with standard reimbursement rules



State Chair Support for County Parties

Accepting Funds on Behalf of Counties

- With **SOS** and **county executive committee consent**, the **state chair** may:
 - Accept money into the **state primary fund** on behalf of a county party
 - Must maintain **records** tracking funds attributable to each county

Submitting Cost Reports

- The **state chair or designee** may submit cost reports if the **county chair**:
 - **Requests** assistance
 - **Fails to meet** the reporting deadline

Conducting Ballot Drawings

- The **state chair** must conduct the **ballot drawing** (per §172.082, TEC) if the **county chair**:
 - **Requests** the state chair to do so
 - **Fails to conduct** the drawing by the deadline



Legal Expense Reimbursement Rules (Part 1)



Seeking Legal Guidance

- Party chairs (state or county) may contact the **SOS Elections Division** for free legal advice (per §31.004, TEC)
- Toll-free: **1-800-252-2216**



When Legal Costs Are *Not* Reimbursable

- If due to **negligence, wrongful acts, or noncompliance** with:
 - Texas Election Code
 - Texas Administrative Code
 - SOS legal advice



Legal Expense Reimbursement Rules (Part 2)

☒ Pre-Approval Required for Reimbursement

- Must submit a **written request** to SOS **before** incurring legal costs
- Request must include:
 - Lawsuit details (style, cause number)
 - Attorney name & rate
 - Summary of facts
 - Estimated legal costs
- **Notify SOS within 30 business days** of being served



Legal Expense Reimbursement Rules (Part 3)



Reimbursement Conditions

- Only applies to lawsuits seeking to:
 - **Include** a candidate after rejection/ineligibility
 - **Exclude** a candidate after refusal to do so
- Must submit:
 - Invoices, pleadings, docket sheets, judgments, and any SOS-requested info
- SOS reimburses **lesser of submitted rate or State Bar average**



Transparency & Public Access

- All submitted legal documents are subject to the **Public Information Act**
- Do **not** submit privileged or confidential materials



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Payable Expenses



Contracted vs. Non-Contracted Costs

Contracted: County submits costs

Non-Contracted: County Chair submits costs

Vendor-Provided: Vendors report costs directly to SOS

Compensation:

- 5% to County Chair (Non-Contracted)
- 10% to County (Contracted)

Clarify who is contracting with the voting system vendor and who is paying for other election services, e.g., election workers.



Ballot Printing & Programming

Cost Categories B1 & B2

Hart and ES&S Ballot Printing & Programming

- Vendor will bill the Secretary of State directly.

**These are typically
vendor-contracted and
reported directly to SOS.**

In-House Ballot Printing & Programming

- Cost to print the ballots.
- County Employee OT
- Temporary Personnel
- 10% Annual Licensing & Maintenance Fee
- The Secretary of State will need a copy of the agreement to verify the amount.



Logic & Accuracy Testing

Cost Category B3

The tests conducted at Central Count are reimbursable.

The County must perform the public test, and it is **not** reimbursable.

Public notice is **not** reimbursable.

Only legal notices required under law are payable with primary funds.



Personnel - Tech Support

Cost Category B4

County

- OT or Temporary Personnel
- Location must be noted on timesheets.
- Documentation must state wages clearly.
- Mileage reimbursement is set at the Comptroller rate.

Vendor

- Hart and ES&S will invoice the Secretary of State directly.
- Early voting tech support is **not** reimbursable.



Election Kits & Supplies

Cost Categories B5 & B18

Election kits and supplies ordered through Hart and ES&S will be billed directly to the Secretary of State.

Supplies that can be used for other elections must be allocated/prorated accordingly.

If your election kits are prepared in-house, a list of the contents of the kits must be submitted with the Final Cost Report.

'I Voted' stickers are **not** reimbursable with Primary Funds.

**Early voting kits and
precinct convention
supplies
are not reimbursable.**



County Owned Equipment

Cost Category B6

The County may charge \$5 for each complete unit of voting equipment leased to the Parties.

The cost must be split, if the equipment is shared between Parties.

The County may **not** charge for the use of electronic poll books (programming is an allowable expense).



Non-County Owned Equipment

Cost Category B7

Leased through Hart or ES&S.

Must receive prior approval from the Secretary of State.



Equipment Prep, Delivery, and Receiving

Cost Category B8

The cost to prep equipment and supplies before election day.

The mileage of County trucks, or the cost of rental trucks.

The cost of delivery personnel, County overtime hours or temporary personnel.

The cost to breakdown and clean equipment, post election.

The cost to receive and check in the equipment, post election.

Reminder:

The only allowable personnel costs are temporary workers and county hours outside of normal work hours.



Polling Place Rental

Cost Category B9

Rental, custodial, or utility fees **cannot** be charged for the use of public buildings as polling places.

Documentation required includes a list of polling locations rented with the amounts and/or written agreements.

Public buildings must be provided free of charge, including utilities and custodial services.



Personnel – Precinct Workers/Delivery Fees (Part 1)

Cost Categories B10 & B11

Precinct workers may be reimbursed up to \$12 per hour.

Workers are paid for the actual time spent at the polling place.

Workers may be compensated for up to two hours before the polls open, and up to two hours after the polls close. Training is required via SOS program; however, training hours may **not** be included.

A delivery fee is reimbursable up to \$25 per polling location. The delivery fee must be split if it is a joint Primary.

Compensation sheets and/or a spreadsheet must include the date and hours worked for each worker.



Personnel – Precinct Workers/Delivery Fees (Part 2)

Cost Categories B10 & B11

If an election worker **chooses to donate** their compensation to the **county party**, a **signed document** must be provided.

This document must be signed by the **election worker** and the **county party chair**

The signed documentation must be **included in the primary records**.



Personnel – Precinct Workers/Delivery Fees (Part 3)

Cost Categories B10 & B11

Estimates cannot exceed approved final costs from most recent primary election.

Final costs exceeding the following formula will not be paid out until after the final cost reporting deadline of August 31, 2026 if funding is available:

- The number of polling locations by turnout category as outlined in Figures: §§81.117 and 81.149 of the Texas Administrative Code multiplied by \$12/hr multiplied by 14 hours for each location.

Turnout Per Polling Location	NON-JOINT PRIMARY (81.117)	JOINT PRIMARY (81.149)
200 or fewer	3	4
201 - 400	5	6
401 - 700	6	7
701 - 1,100	8	9
1,101 or more	12	13



Personnel – Central Counting Station

Cost Categories B12 - B15

The market rate in the county may be charged for cost category B12, the Central Counting Station Manager, B13, the Tabulation Supervisor, and B14, the Assistant Tabulation Supervisor.

A rate of up to \$12 per hour may be charged for the Central Counting Station Judge and Clerks under cost category B15.

Compensation sheets and/or a spreadsheet must include the date and hours worked for each worker.

Ensure accurate reporting of hours and roles for proper reimbursement.

Refer to Texas Election Code §§127.002–127.004 for role definitions.



Personnel – Early Voting Ballot Board / Provisional & Late Ballot Board

Cost Categories B16 & B17

May be reimbursed up to \$12 per hour.

Compensation sheets and/or a spreadsheet must include the date and hours worked for each worker.

**These boards handle early,
provisional, and late ballots.
Compensation aligns with other
election workers.**



Other Reimbursable Costs

Cost Categories B19 – B23

B19 Communication

- The cost for internet connectivity at polling locations.

B20 Postage

- The cost to mail media to vendors and/or notices and paychecks to workers.

B21 Legal Fees

- Fees related to a candidate's name on the ballot.
- Must be submitted to the Secretary of State for approval within 30 days of receipt of service of process.

B22 Security

- The cost of security at polling locations and the Central Counting Station.

B23 Other Primary Costs

- Any cost that cannot be included in one of the previously mentioned categories.

**Track serial numbers
and ensure no
duplicate computer
reimbursements.**



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Administrative Costs Overview



Administrative Costs

Governed by TAC
§81.123.

Subject to funding caps
based on county size.

Must be well-
documented.

Review the TAC guidelines to
ensure compliance with
administrative cost limits.



Admin Costs - Office Rental (Part 1)

Cost Categories C1 & C3 – TAC Rule §81.129

Year-Round Office Lease:

- The Secretary of State may only reimburse 30% of rent for the Primary months (November-March/May) for an office space held longer than the duration of the Primary, up to the Party's administrative cost cap.
 - **C3 Telephone and Utilities** will also be reimbursed at 30% for the Primary months for a year-round office rental.
- A Primary office in addition to an existing Party office is not eligible for reimbursement by the Secretary of State.
- The Secretary of State will not reimburse for an office space where the Party Chair, Chair's Spouse, or Chair's family has financial interest.
- A lease agreement must be provided in order for the Party to receive reimbursement from the Secretary of State.

**Documentation
is key—
especially for
rent and utility
reimbursements.**



Admin Costs - Office Rental (Part 2)

Cost Categories C1 & C3 – TAC Rule §81.129

Primary Only:

- The Secretary of State will reimburse 100% of rent for an office space held only for the duration of the Primary (November-March/May), up to the Party's administrative cost cap.
 - **C3 Telephone and Utilities** will also be reimbursed at 100% for offices leased solely for the Primary.
- If the office is held solely for the duration of the Primary, three competitive bids must be acquired.
- The Secretary of State will not reimburse for an office space where the Party Chair, Chair's Spouse, or Chair's family has financial interest.
- A lease agreement must be provided in order for the Party to receive reimbursement from the Secretary of State.

Documentation is key—especially for rent and utility reimbursements.



Admin Costs – Computer

Cost Category C6 – TAC Rule §81.127

A computer purchase may only be reimbursed every other Primary cycle, every four years, up to \$1,500.

The computer is the property of the County Executive Committee, not the County Chair.

An invoice and a serial number must be submitted to the Secretary of State to be reimbursed.

Track serial numbers and ensure no duplicate computer reimbursements (only reimbursable every other primary).



Other Admin Costs

Cost Categories C2, C4, C5, & C7 – TAC Rule §81.123

C2 Office Personnel

- The cost of administrative personnel, non-election day workers.

C4 Office Supplies

- The cost of necessary office supplies.

C5 Printing

- The cost to print convention notices, and/or the cost to print copies of supporting documents to the Secretary of State.

C7 Bank Fees

- Monthly fees and/or the minimum balance to keep the Primary Fund open, typically \$50 or less.



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Financing Sources



Financing Sources

E1 Primary Beginning Bank Balance

- Balance in the Primary Fund as of November 1 preceding the Primary.
- May include funds from prior Primaries, or a small amount that was left in the account to maintain the account between cycles.

E2 Candidate Filing Fees

- County Level Candidates

F1 Contributions

- Contributions made to the Primary Fund to offset Primary costs.

All sources of funding must be reported to ensure accurate reconciliation.



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Non-Payable Items



Non-Payable Items

TAC Rules §§81.109, 81.121, 81.132, & 81.133

Statutorily Required Duties of the County

Election Officer Pay

Early Voting Expenses (except ballots & EVBB)

Everyday Supplies

Purchase of Removable Media Devices

Postage and Envelopes for Mail Ballots

Ballot Boxes and Booths

Normal Business Hours Employee Time

**If it is not required by law, the
state cannot pay for it.**



Non-Payable Items

TAC Rules §§81.109, 81.121, 81.132, & 81.133

Party-Related Expenses

Pay to County Chair's Family Members

Food and/or Drink

Notice of Elections

Personnel hours spent on Party related duties

Expenses related to a political convention

Voter Registration and Get Out the Vote Campaigns

Cost of Public Buildings

Ownership and transferability are key—if it can be reused in other elections, it's likely not reimbursable.

Dictated by statute and/or administrative rule.



Non-Compliant Signage

TAC Rule §81.109

Signs referring to
candidates or measures.

Signs not coordinated
between parties (must be
of same size, form, and
content).

Coordination is essential.



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Submitting the Final Cost Report



Final Cost Report (FCR) Process

Submitted after
Primary and runoff
elections.

Details actual costs
incurred.

Determines if
additional funds are
owed or must be
returned.

Accurate reporting ensures
proper reconciliation of state
funds.



Who Reports What?

County Chair:

- Reports non-contracted election day costs, if any.
- Reports administrative costs, if any.
- Reports candidate filing fees, if any.
- Reports statistical information (obtain from CEO, if necessary).

County Election Officer:

- Reports all expenses for duties or services performed under an Election Services Contract.
- May also report statistical information.

Voting System Vendor:

- Reports all allowable services and items ordered by the County Chair or County Election Official, and indicates which entity ordered the service or item.

Avoid duplicate reporting—responsibility lies with whoever paid for the service or item.



Supporting Documentation Required

Supporting documentation includes, but is not limited to:

- Invoices, Bills, and Receipts
- Lease Agreement and Competitive Bids for Office Rental
- Utility Invoices in Connection with an Office Rental
- Election Workers' Compensation Sheets or Prescribed Spreadsheet
- Job Description and Wages of Administrative Office Personnel
- Electronic Bookkeeping Records
- Primary Fund Bank Statements
 - November 2025 through May 2026

**Documentation
must be complete
and clearly tied to
the reported
expense.**



How to Submit Documentation

- **Upload** via Final Cost Report page (TEAM)
- **Email, Fax, or Mail** to SOS

efmadmin@sos.texas.gov

512-463-7552

Texas Secretary of State
Election Funds Management Section
P. O. Box 12060
Austin, Texas 78711-2060

**Digital submission
is encouraged for
speed and
tracking.**



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Seminar Travel Reimbursement



Seminar Travel Reimbursement

The Secretary of State shall reimburse the County Chair or the County Chair's designee for travel to attend the seminar.

Travel reimbursement requests must be submitted within 60 days from the date of the seminar.

Requests shall be made through **SOS**-prescribed electronic system

Hotel for two nights is approved for Counties greater than or equal to 200 miles from Austin.

The Secretary of State will **not** reimburse for meals and/or gratuities.



What is Reimbursable?

Mileage for a Personal Vehicle:

- Current GSA reimbursable rate is 70 cents per mile.

Hotel:

- Not to exceed GSA max rate of \$173 per night.
- Receipt with a \$0 balance is required.

Airfare (Economy Only), Airport Transfers and Parking

- Receipts required.



Available Support



WEBINARS



TRAINING



RESOURCES

elections@sos.texas.gov

800-252-VOTE • 512-463-5650

sos.texas.gov