

# MAINE STATE LEGISLATURE

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HAROLD T. MARTIN

In Reply Refer To  
File No.

## SOCIAL SECURITY BOARD

Washington, D. C.

BUREAU OF UNEMPLOYMENT COMPENSATION

February 20, 1937

Dear Sir:

The Board has made the following determination of policy with reference to the inclusion in State budgets for unemployment compensation administration and grants under Title III of the Social Security Act of amounts to cover expenses incurred or to be incurred by State agencies other than the unemployment compensation agency:

"THE BOARD HAS DETERMINED THAT, AS A GENERAL POLICY, IT WILL NOT GRANT SUMS TO ANY STATE TO COVER EXPENSE OF STATE AGENCIES OTHER THAN THE STATE UNEMPLOYMENT COMPENSATION AGENCY, INCURRED IN PERFORMING SERVICE DIRECTLY OR INDIRECTLY CONNECTED WITH THE ADMINISTRATION OF THE STATE UNEMPLOYMENT COMPENSATION LAW.

However, it is recognized that it may be proper and advisable to permit exceptions from such a general policy in certain cases upon a proper showing of the existence of either or both of the following conditions:

- (1) Where it is a general fiscal practice in the State for such outside service agencies to receive their necessary administrative funds by a charge upon each State agency based upon the service received, rather than by general legislative appropriations.
- (2) Where the service performed by such outside State agency is a distinct and additional function of a type customarily performed as a function of an unemployment compensation agency and not of a type performed as a part of the regular service rendered by such outside agency to other State agencies; and where the unit of such outside agency performing such services operates as an integral part of the unemployment compensation agency and where its sole function is the servicing of such unemployment compensation agency."

The above information is furnished for your guidance in your preparation of future budgets.

Very truly yours,

(Signed) R. G. Wagenet  
R. G. Wagenet,  
Director

(c) Full information concerning State organization and regulations relative to centralized control of the fiscal affairs of State agencies, including all pertinent excerpts from State law, regulations, and other descriptive data and comment. Details of both current control (pre-audit) and retroactive control (post-audit) should be included in this information.

(d) Full information should be furnished concerning bonds required in order to safeguard funds of the unemployment compensation agency, including any regulations, excerpts from the law, and pertinent comment. Such information should take into consideration bonds for officials outside the State unemployment compensation agency, where required, as well as employees of the agency.

(e) In connection with any of the material specified in Paragraphs (a), (b), (c) and (d), particular care should be taken to show the extent to which the State unemployment compensation agency is subject to the regulation indicated. In any case where there is incomplete or no State regulation and control over the unemployment compensation agency, the agency should furnish a clear description of the method by which it intends to exercise such control.

6. The following instructions should be complied with in the preparation of forms and supporting schedules applicable to budgets:

(a) Form UC-101

(1) Headings: On the first line of the form insert (1) the name of the State, and (2) the official name of the State agency responsible for administering the unemployment compensation law. On the second line insert the beginning and ending dates of the period covered by the estimate, such as "For the Period Beginning January 1, 1937, and Ending March 31, 1937."

(2) "Objects of Expenditure":

(A) "Personal Services": Enter here the estimated cost of personal services to be paid from a pay roll, whether full-time, part-time, regular or temporary. The term "temporary" as used in this connection refers to the status of the position and not to the status of the incumbent. Exclude independent contractors and their employees. Details of salaries and wages should be submitted on Form UC-101A.

(B) "Other Current Expenses": Enter hereunder all estimated expenses other than those for personal services and equipment purchases.

1. "Supplies": Enter here estimated expenses for expendable items, such as stationery, typewriter ribbons, and ink; and for items with a unit cost of less than \$2.00, whether or not consumed by use, such as paper-weights and inkwells, giving supporting data for items of major importance.

2. "Communications Service":

a. "Telephones" - Enter here all charges for telephone services, except such charges as are reimbursable on travel expense accounts. Whenever a telephone contract is proposed, attach a copy or describe on a supplementary sheet the service to be rendered as specified in such contract. Show on a supplementary sheet the estimated amount for toll charges.

b. "Telegraph" - Enter here estimated expense for telegraph and radio messages, except such charges as are reimbursable on travel expense accounts.

c. "Postage" - Enter here estimated cost of postage. Describe size and nature of proposed mass mailings.

3. "Travel Expense": Enter here the estimated expense of all travel, including railroad, steamship, bus, automobile, airplane and pullman fares, and subsistence (or per diem in lieu of subsistence), and all other estimated expense items for travel to be reimbursed through the use of an expense voucher. All such expense must conform to State travel regulations, a copy of which in the first instance (and amendments thereto from time to time as issued) should be submitted to the Social Security Board. On a supplementary sheet show basis of estimated needs.

4. "Transportation of Things": Enter here estimated expense for freight, express and drayage charges incurred by regularly established offices, and on a supplementary sheet show basis of estimated needs.

5. "Printing and Binding": Enter here estimated expense for printing and binding, including any expense for printing forms, letterheads, etc. (which expense is not to be included under "supplies" as defined above). On a supplementary sheet furnish basis of estimated needs.

6. "Advertising": Enter here estimated expense for publishing official notices, advertising for bids, etc. On a supplementary sheet furnish basis of estimated needs.

7. "Heat, Light and Water": Enter here estimated expense for heating, lighting and furnishing of water and power to regularly established offices, when these items are not otherwise provided for in rental contracts.

8. "Rents":

a. "Premises" - Enter here rents for premises occupied by regularly established offices with or without the inclusion of services of heat, light and water. On a supplementary sheet furnish full description of such premises, including location, area, rate of rental and general description. Furnish with this estimate copies of any proposed leases or proposed amendments to established leases.

b. "Equipment" - Enter here estimated rents for equipment, such as for tabulating, calculating and bookkeeping machines and other office equipment, itemized with descriptive detail sufficient to show basis of estimated needs. Segregate rental items and list those which are of a temporary character separately from those which are of a long term and recurring character. (Items which are on a rental purchase contract basis should not be included, but should be reported in connection with equipment purchases.) Furnish with the budget copies of any proposed contracts covering such rentals or amendments to established contracts.

9. "Repairs and Alterations": Enter here estimated expenses for repairs and alterations to premises occupied by regularly established offices (where such expenses are not included in the terms of a rental contract), and estimated expenses for repair and alteration of equipment. Furnish a description of major items of repairs and alterations, giving estimated costs.

10. **"Other"**: Enter here all other miscellaneous expenses not elsewhere defined or included. Under this type of expense include such miscellaneous items as insurance, personal bonds, and contract services (other than pay roll). On separate schedule give sufficient detail to show basis of estimated needs.

(C) **"Equipment"**: Enter here the estimated cost of equipment purchases (omitting items of a unit value of \$2 or less, which are to be treated as "Supplies"). Full description of the items concerned is to be furnished on Form UC-101B, together with any other information to show the basis of estimated need. The cost of equipment items to be obtained upon a rental-purchase basis should be included in the total amount requested for equipment purchases.

(3) **"Less Unencumbered Balance"**: Enter here any unencumbered amount from a previous period, available for reallocation, as previously reported on Form UC-102. The closing date of the period from which this unencumbered balance is available should be indicated. If unencumbered balances from more than one period have not been reallocated and are thus available for reallocation, enter each such sum separately, identifying them by indicating the closing dates of the periods concerned.

(4) **"Net Amount Requested"**: Enter here the net amount of grant requested (the total amount of the budget, less any unencumbered amounts from a previous period or periods.).

(b) **Form UC-101A**

(1) The heading should correspond with that of Form UC-101.

(2) Positions should be grouped on this form in such manner as to show the organizational structure by departments, divisions, or other units, the requirements of each branch office, if any, being set forth on separate copies of this form. If and when funds are requested for district offices of the State employment service for expense properly chargeable to unemployment compensation, such requirement as to salaries and wages should be set forth on separate copies of

Form UC-101A, as in the case of branch offices. Consistent with such organizational grouping, identical positions at identical salary rates should be grouped together rather than listed separately, the number of employees in each class for each month of the quarter being designated under the columns provided. Consistent with organizational grouping, regular and temporary positions should be listed separately, regular positions first and temporary positions last. (The word "temporary" refers to the position, not to the status of the person occupying the position.) Salaries for part-time employment should be designated "P.T.", and a separate explanation attached giving full details. If any employees are compensated at other than a monthly rate, designate this fact following their salary rate by these symbols: "D" for per diem, "W" for weekly, and "S.M." for semi-monthly. The column headed "Monthly Salary Rate" is concerned with the individual salary rate per employee and not the total monthly rate for all employees in the group.

(3) In the case of the first budget of any State or of any later expansion in organization and personnel, full explanation should accompany this form in order to show the plans and basis of need.

(c) Form UC-101B

(1) The heading of the form should be similar to Form UC-101.

(2) This form should show the amounts requested for equipment purchases for the State administrative office with full details as to items desired. The items and amount requested for each branch office and for each district office of the State employment service should be set forth on separate copies of this form. The equipment items with full description should be listed. However, in listing proposed purchases of equipment, group and enter on a single line, items of exact description, and in the proper column specify the number of units. Furnish any supporting data showing basis of need.

(3) Equipment items to be obtained, or being obtained, upon a rental-purchase basis should be listed separately and so designated, with full description, but the amount of such rentals for the period should be included in the total requested for the purchase of equipment for the State administrative office and each branch office and employment service district office. Copies of any proposed rental-purchase contracts should be furnished, or in lieu thereof, full description of the contract provisions contemplated.



(4) Equipment to be rented either on a permanent or a temporary basis should not be included on Form UC-101B, but, as pointed out elsewhere in these instructions, should be set forth on separate schedules covering equipment rentals.

(d) Form UC-101C

(1) It is necessary to use this form only in States where more than one office is concerned, or where funds are requested for unemployment compensation activities of State employment offices, in which cases the requirements of each branch office and employment service district office as to "Other Current Expenses" should be separately designated through the use of this form.

(2) With the addition of the designation of the particular office concerned, this heading should be filled in according to the instructions pertaining to Form UC-101.

(e) Form UC-101D

(1) This form is to be used only where the State agency has more than one office, or where funds are requested for unemployment compensation activities of district offices of the State employment service.

(2) The heading of this form should be prepared to correspond with Form UC-101 for the same period.

(3) Branch offices and employment service district offices should be listed separately and alphabetically in the first column, and a recapitulation of estimated requirements for each branch office and employment service district office should be set forth under the three main categories of "Personal Services", "Other Current Expenses", and "Equipment". The total for the State administrative office, each branch office and each employment service district office should be inserted in the column headed "Total."

(f) Form UC-101ES

(1) This form is to be used only when the budget includes funds for unemployment compensation activities of State employment offices.

(2) The heading of the form should be similar to that of Form UC-101.

(8) The amounts shown in the first column to be required from the Social Security Board will be a summary of the requirements of the district offices of the State employment service, the individual requirements of which should be set forth on Forms UC-101A, UC-101B, UC-101C, and UC-101D, as specified previously. The amounts set forth on Form UC-101ES will be included in, not additional to, the amounts shown on Form UC-101 to be required by the State unemployment compensation agency.

(g) Preparation of State Summary on Forms UC-101A and UC-101B

(1) Whenever funds are requested for branch offices or for employment service district offices, so that separate reports for the different offices are made on Forms UC-101A and UC-101B, a summary totalling the requirements of the State as a whole should be set forth on Forms UC-101A and UC-101B. When these forms are used for this purpose the heading "State Summary" should be typed in at the top. In setting forth this State summary of personnel requirements on Form UC-101A, identical positions at identical salary rates should be grouped and entered on a single line, without regard for organizational grouping. Similarly, in preparing the State summary of equipment requirements on Form UC-101B, identical equipment items should be grouped and entered on a single line without regard to the offices for which such equipment is intended.

C. Certification Required for Grants Under Title III

1. The board must be informed at all times through proper certification as to the person or persons authorized to certify to information or documents furnished to the Board. Such certification of official status need not be renewed as long as the status of a person so certified remains unchanged. If such authority passes to a new incumbent, a new certificate of authority must be submitted to validate the new signature. Each such certificate of official status must be signed by the official properly authorized to make such certification. The Seal of the Secretary of State will be sufficient evidence of his own qualification. All such certificates of official status must be submitted in triplicate.

2. Certain certificates and other documents must be submitted to the Social Security Board by the State unemployment compensation agency currently or at other times as specified below in order to enable the Board to certify a grant of funds for administration under Title III, as follows:

(a) At the time of submitting the first budget, and thereafter at any time when a change in the payee is authorized, submit six copies of a certificate by the Attorney General or other proper legal authority of the State, designating the payee (the office, not the incumbent) to whom payment of funds granted is to be made, citing statutory authority.

(b) Submit monthly at the time indicated by the instructions thereon, three copies of Form UC-7501, reporting upon the number of employers and employees who are covered by the State unemployment compensation law.

(c) The following certificates by the State unemployment compensation agency, or its duly authorized representative, must be furnished in triplicate with each budget and request for funds. In the case of the first request for funds, such certificates shall be so worded as to cover the period from the effective date of the law (citing date) to the date of such certification; in subsequent cases, such certificates shall be so worded as to cover the period from the last such certification (citing date) to the date of current certification. The subject matter of two or more such certificates may be combined in a single certificate.

(1) Certificate stating either (A) that no decisions or orders have been rendered or issued by any court of the State or by any Federal court construing, interpreting, involving, or passing upon the validity of any provision of the State unemployment compensation law, or any rule or regulation in effect thereunder; or (B) that only such decisions and orders as are identified and listed therein have been rendered or issued.

(2) Certificate stating either (A) that no opinions have been rendered by the Attorney General relating to questions of law involved in the administration of the State unemployment compensation law, or interpreting or construing any provision of such law or any rule or regulation issued thereunder; or (B) that only such Attorney General's opinions as are identified and listed therein have been rendered.

(3) Certificate stating either (A) that it has adopted no rules and regulations and has neither rescinded nor changed any existing rules and regulations; or (B) that only such rules and regulations, and modification or rescinder of existing rules and regulations as are identified and listed therein have become effective.

(4) Certificate stating either (A) that the State unemployment compensation law has not been amended or changed by act of the Legislature; or (B) that only such amendments as are identified and listed therein have been enacted.

(5) Certificate stating either (A) that it has adopted no general interpretations and has neither rescinded nor changed any existing general interpretations; or (B) that only such general interpretations and modification or rescinder of existing general interpretations as are identified and listed therein have been issued.

3. The State unemployment compensation agency shall furnish to the Social Security Board, currently as issued, three copies of all decisions and orders, Attorney General's opinions, amendments, rules and regulations, general interpretations and codification of general interpretations, properly certified to be true and complete copies. To withhold them until a request for funds is made may delay action with respect to the grant.

4. Whenever the State unemployment compensation agency contemplates the issuance of rules, regulations, etc., copies of all such tentative material shall be submitted in triplicate to the Social Security Board for its consideration prior to becoming effective, so that no rule, regulation, etc., will be adopted or issued which will so affect the status of the law as to prevent certification under Title III or Title IX when a request for funds is next made.

D. Instructions for the Preparation and Submission of Reports of Expenditures of Federal Funds Granted for the Administration of Approved State Unemployment Compensation Laws.

1. These instructions have application solely to expenditure of Federal funds granted under Title III of the Social Security Act for the administration of approved State unemployment compensation laws. Statements and reports will not include expenditure of (a) funds allotted under the Wagner-Peyser Act, or (b) State and local funds and contributions for the State employment service except when reporting that information as required on Form UC-102ES.

2. Six copies of expenditure reports are to be prepared on Form UC-102, together with Forms UC-102A and UC-102B, and other supporting schedules necessary to show details of expenditures.

3. If or when branch offices of the State unemployment compensation agency are established, a separate set of itemized schedules of expenditures is to be submitted for each such branch office (supporting the Summary Statement, Form UC-102) on Forms UC-102A, UC-102B, and UC-102C, together with a summary of branch office expenditures on Form UC-102D.

4. If and when the district offices of the State employment service perform functions for which the expense is properly chargeable to the State unemployment compensation agency and to cover which funds are granted under Title III, a separate set of itemized schedules should be prepared for each such district office, showing the amounts of such properly chargeable expense, and Form UC-102ES should also be prepared and submitted to show the total expenditures of such offices chargeable to funds granted under Title III.

5. The following instructions should be complied with in the preparation of forms and supporting schedules applicable to reports of expenditures:

(a) Form UC-102

(1) The heading should correspond with the heading on Form UC-101, previously submitted for the corresponding period.

(2) "Funds Available"

(A) "Unencumbered balance re-allotted from period ending \_\_\_\_\_"; Enter here any amount re-allotted during the period concerned, for use in addition to the amount granted for the period.

(B) "Granted During Period": Enter here the amount of funds granted by the Social Security Board for use during the period concerned.

(3) "Expenditures" ("Expenditures" means obligations incurred or encumbered against the funds granted by the Social Security Board for the period, whether or not actual payment has been made.)

(A) Expenditures should be summarized and set forth on Form UC-102 in the same manner as specified herein for budgets in the case of Form UC-101. Copies of purchase or rental contracts agreed upon pursuant to approved budgets should be attached, if not previously submitted.

(4) "Adjustments": Enter here any amounts to be subtracted from or added to the total expenditures due to necessary adjustments in previous expenditure reports. Explain such adjustments fully in a separate memorandum.

(5) "Unencumbered Balance at Close of Period": Indicate here the amount of funds on hand which at the close of the period concerned were not encumbered and which are thus available for re-allotment by the Board.

(b) Forms UC-102A, UC-102B, UC-102C, UC-102D, and UC-102E

(1) These forms should be used to set forth the details concerning expenditures, in the same manner as is prescribed in the case of Forms UC-101A, UC-101B, UC-101C, UC-101D, and UC-101E. Instructions herein which prescribe the method of preparation of such budget forms and the detailed data to be furnished therewith on supporting schedules should also be followed in the case of expenditure reports. However, as it is generally possible to submit more detailed and accurate data in the case of expenditure reports than in the case of budget estimates, full and exact reports of expenditures are to be submitted. For example, in reporting expenditures for salaries, the individuals concerned should be listed by name, rather than merely grouping related positions as is done on budget Form UC-101A.