

The board is the sole entity authorized to execute formal contracts between the school system and any firm or person offering to provide materials, equipment, or services to the school system. Creditors are on notice that the board may choose not to honor contracts entered into by school or school officials without authority to enter into contracts.

A. AUTHORIZATION TO ENTER INTO CONTRACTS

No contract requiring the expenditure of funds may be agreed upon unless the budget resolution adopted pursuant to board policy 8110, Budget Resolution, authorizes the expense and there is a sufficient unencumbered balance to pay the amount to be disbursed. (See policy 6421, Pre-Audit Certification.) Any contract involving expenditures in excess of \$30,000.00 must be reviewed by the board attorney and approved in advance by the board. Unless otherwise prohibited by statute or regulation, the superintendent designee is authorized to enter into contracts or approve change orders involving amounts up to \$30,000.00.

To provide greater flexibility at the school level, the superintendent also may establish circumstances in which principals may enter contracts involving amounts up to \$5000. The superintendent, with appropriate involvement of the finance officer, shall establish any procedures necessary to ensure fiscal accountability and reporting by principals who enter into contracts.

B. CONTRACT FORMS

The board attorney shall review any contract forms developed for use by a school or the school system.

C. LEASE PURCHASE CONTRACTS

Any request to enter lease purchase contracts as authorized by G.S. 115C-528, regardless of dollar amount, must be approved by the finance officer. After considering the principal and amount of interest, the superintendent must determine that the lease purchase is a fiscally prudent choice that is consistent with board policy. See board policy 6425.

The finance officer shall provide the board with periodic reports on lease purchase contracts, including the amount of the principal, interest paid and the amount of the outstanding obligation.

D. OTHER APPLICABLE POLICIES AND LAWS

Purchases will be made as required by the State Division of Purchase and Contract in accordance with the Division's rules and regulations, as authorized by G.S. 115C-522.

All contracts involving construction or repair work or purchase of apparatus, supplies, materials or equipment must be undertaken in compliance with Chapter 143 of the North

Carolina General Statutes, except as provided elsewhere by state law. Contracts must also comply with applicable board policies.

Legal References: G.S. 115C-36, -47, -440, -441, -522, -528; 143-49

Cross References: Pre-Audit Certification (policy 6421), Budget Resolution (policy 8110); Policy 6425

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