

The board is the sole agency authorized to execute formal contracts between the school district and any firm or person offering to provide materials, equipment or services to the school district. Creditors are on notice that the board may choose not to honor contracts made without proper authorization by designated school or school district officials.

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.) No contract may be entered into with a person or entity that is on the state treasurer's Final Divestment List or Iran Parent and Subsidiary Guidance list, except as permitted by G.S. 147, art. 6E.

Unless otherwise prohibited by statute or regulation, the Superintendent or Finance Officer is authorized to enter into contracts or approve change orders.

To provide greater flexibility at the school level, the superintendent also may establish circumstances in which principals may enter contracts involving amounts up to \$500.00. The superintendent, with appropriate involvement of the finance officer, will 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

The finance officer must approve any request to enter lease purchase contracts as authorized by G.S. 115C-528, regardless of dollar amount. 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.

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 may be made through 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.

All contracts subject to the E-Verify requirement will contain a provision stating that the contractor and the contractor's subcontractors must comply with the requirements of Article 2 of Chapter 64 of the General Statutes.

Legal References: G.S. 64, art. 2; 115C-36, -47, -264, -440, -441, -522, -528; 143-49 and art. 8

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

Adopted: May 14, 1998 to become effective July 1, 1998

Updated: January 11, 2007, May 9, 2013, October 13, 2016