

Descriptor Term:
CONTRACTS WITH THE BOARD

Descriptor Code:
6.4200

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

Cross References: 6.4210 Pre-Audit Certification, 6.4250 Continuing Contracts, 8.1100 Budget Resolution

The board is the sole agency 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 system officials without authority to enter into contracts.

A. Authorization to Enter into Contracts

No contract requiring the expenditure of funds may be entered into unless the budget resolution adopted pursuant to board policy 8.1100, Budget Resolution, authorizes the expense and there is a sufficient unencumbered balance to pay the amount to be disbursed. (see policy 6.4210, Pre-Audit Certification.) Any contract involving expenditures in excess of \$50,000 or having a duration of greater than one (1) year and expenditures, must be reviewed by the board and approved in advance by the board. Unless otherwise prohibited by statute or regulation, the superintendent or his/her designee is authorized to enter into contracts or approve change orders involving expenditures up to \$50,000 per contract, change orders totaling up to \$50,000 per project, and contracts having a duration of greater than one (1) year and expenditures totaling \$50,000 or less.

B. Contract Forms

Any contract forms developed for use by a school or the school district must be reviewed by the board attorney.

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.

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

D. Other Applicable Policies and Laws

Purchases may 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.