

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 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 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~~ restricted company that is on as listed by the state treasurer's Final Divestment List or Iran Parent and Subsidiary Guidance list, in accordance with G.S. 147, art. 6E or 6G, except as permitted by ~~those laws~~ G.S. 147, art. 6E.

Any contract involving expenditures in excess of \$30,000 must be reviewed by the board attorney and approved in advance by the board unless provided otherwise in board policy. (Approval requirements for construction and repair contracts are established in policy 9120, Bidding for Construction Work.) Unless otherwise prohibited by statute or regulation, the superintendent or designee is authorized to enter into contracts or approve amendments to contracts involving amounts up to \$30,000. However, change orders for construction and repair contracts are subject to the requirements of policy 9030, Facility Construction, not this provision.

To provide greater flexibility at the school level, the superintendent also may establish circumstances in which principals may enter contracts involving amounts up to \$30,000. 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.

Unless otherwise prohibited by statute or regulation, the superintendent or a principal may enter into a contract involving an amount more than \$30,000 without prior board approval under emergency or other exigent circumstances. Any such contract entered into by a principal must be reviewed by the board attorney and approved by the superintendent. Any such contract entered into by the superintendent must be reviewed by the board attorney and approved by the board chairperson. All such contracts shall be reported to the board at the next regularly scheduled board meeting.

At least monthly, the superintendent shall report to the board all contracts and contract amendments approved by the superintendent under this policy that exceed \$10,000.

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 the 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, including, but not limited to, policies 6430, ~~State Purchasing Requirements for Equipment, Materials, and Supplies~~; ~~6440, Local Purchasing Requirements for Equipment, Materials, and Supplies~~; 6450, Purchase of Services; 9030, Facility Construction; 9110, Use and Selection of Architects, Engineers, Surveyors, and Construction Managers At Risk; and 9120, Bidding for Construction Work.

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; 147, art. 6E, art. 6G

Cross References: Pre-Audit Certification (policy 6421), ~~State Purchasing Requirements for Equipment, Materials, and Supplies (policy 6430)~~, ~~Local Purchasing Requirements for Equipment, Materials, and Supplies (policy 6440)~~, Purchase of Services (policy 6450), Budget Resolution (policy 8110), Facility Construction (policy 9030), Use and Selection of Architects, Engineers, Surveyors, and Construction Managers At Risk (policy 9110), Bidding for Construction Work (policy 9120)

Adopted: December 14, 2015

Revised: June 6, 2016; November 14, 2016; [DATE]