

1 The Transylvania County Board of Education (the “board”) is the sole entity authorized to
 2 execute formal contracts between the school system and any firm or person offering to provide
 3 materials, equipment, or services to the school system. Creditors are on notice that the board
 4 may choose not to honor contracts entered into by school or school system officials without
 5 authority to enter into contracts.

6
 7 **A. AUTHORIZATION TO ENTER INTO CONTRACTS**
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9 No contract requiring the expenditure of funds may be entered into unless the budget
 10 resolution adopted pursuant to policy 8110, Budget Resolution, authorizes the expense
 11 and there is a sufficient unencumbered balance to pay the amount to be disbursed. (See
 12 policy 6421, Pre-Audit Certification.) No contract may be entered into with a **restricted**
 13 **company** ~~person or entity as listed by that is on the state treasurer’s Final Divestment List~~
 14 ~~or Iran Parent and Subsidiary Guidance list,~~ **in accordance with G.S. 147, art. 6E or 6G,**
 15 ~~except as permitted by G.S. 147, art. 6E~~ **those laws.**

16
 17 Any contract involving expenditures in excess of \$90,000 must be reviewed by the board
 18 attorney and approved in advance by the board unless provided otherwise in board policy.
 19 (Approval requirements for construction and repair contracts are established in policy
 20 9120, Bidding for Construction Work.) Unless otherwise prohibited by statute or
 21 regulation, the superintendent or designee is authorized to enter into contracts or approve
 22 amendments to contracts involving amounts up to \$90,000. However, change orders for
 23 construction and repair contracts are subject to the requirements of policy 9030, Facility
 24 Construction, not this provision.

25
 26 To provide greater flexibility at the school level, the superintendent also may establish
 27 circumstances in which principals may enter contracts involving amounts less than
 28 \$10,000. The superintendent, with appropriate involvement of the finance officer, shall
 29 establish any procedures necessary to ensure fiscal accountability and reporting by
 30 principals who enter into contracts.

31
 32 **B. CONTRACT FORMS**
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34 The board attorney shall review any contract forms developed for use by a school or the
 35 school system.

36
 37 **C. LEASE PURCHASE CONTRACTS**
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39 The finance officer must approve any request to enter lease purchase contracts as
 40 authorized by G.S. 115C-528, regardless of the dollar amount. After considering the
 41 principal and amount of interest, the superintendent must determine that the lease
 42 purchase is a fiscally prudent choice that is consistent with board policy.
 43

44 The finance officer shall provide the board with periodic reports on lease purchase
 45 contracts, including the amount of the principal, interest paid, and the amount of the
 46 outstanding obligation.
 47

48 **D. OTHER APPLICABLE POLICIES AND LAWS**
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50 Purchases may be made through the State Division of Purchase and Contract in
 51 accordance with the Division’s rules and regulations, as authorized by G.S. 115C-522.
 52

53 All contracts involving construction or repair work or purchase of apparatus, supplies,
 54 materials, or equipment must be undertaken in compliance with Chapter 143 of the North
 55 Carolina General Statutes, except as provided elsewhere by state law. Contracts must
 56 also comply with applicable board policies, including, but not limited to, policies 6430,
 57 State Purchasing Requirements for Equipment, Materials, and Supplies; ~~6440, Local~~
 58 ~~Purchasing Requirements for Equipment, Materials, and Supplies~~; 6450, Purchase of
 59 Services; 9030, Facility Construction; 9110, Use and Selection of Architects, Engineers,
 60 Surveyors, and Construction Managers At Risk; and 9120, Bidding for Construction
 61 Work.
 62

63 All contracts subject to the E-Verify requirement will contain a provision stating that the
 64 contractor and the contractor’s subcontractors must comply with the requirements of
 65 Article 2 of Chapter 64 of the General Statutes.
 66

67 Legal References: G.S. 64, art. 2; 115C-36, -47, -264, -440, -441, -522, -528; 143-49 and art. 8;
 68 147, art. 6E, **art. 6G**
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70 Cross References: Pre-Audit Certification (policy 6421), ~~State~~ Purchasing Requirements for
 71 Equipment, Materials, and Supplies (policy 6430), ~~Local Purchasing Requirements for~~
 72 ~~Equipment, Materials, and Supplies~~ (policy 6440), Purchase of Services (policy 6450), Budget
 73 Resolution (policy 8110), Facility Construction (policy 9030), Use and Selection of Architects,
 74 Engineers, Surveyors, and Construction Managers At Risk (policy 9110), Bidding for
 75 Construction Work (policy 9120)
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77 Adopted: September 19, 2016
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79 Revised: [DATE]