

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.

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 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 and Disbursement Certifications.) No contract may be entered  
 13 into with a restricted company as listed by the state treasurer in accordance with G.S.  
 14 147, art. 6E or 6G, except as permitted by those laws.

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

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

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

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 36 **C. LEASE PURCHASE CONTRACTS**  
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38 The finance officer must approve any request to enter lease purchase contracts as  
 39 authorized by G.S. 115C-528, regardless of the dollar amount. After considering the  
 40 principal and amount of interest, the superintendent must determine that the lease  
 41 purchase is a fiscally prudent choice that is consistent with board policy.  
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43 The finance officer shall provide the board with periodic reports on lease purchase  
 44 contracts, including the amount of the principal, interest paid, and the amount of the  
 45 outstanding obligation.  
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47 **D. OTHER APPLICABLE POLICIES AND LAWS**  
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49 Purchases may be made through the State Division of Purchase and Contract in  
 50 accordance with the Division’s rules and regulations, as authorized by G.S. 115C-522.  
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52 All contracts involving construction or repair work or purchase of apparatus, supplies,  
 53 materials, or equipment must be undertaken in compliance with Chapter 143 of the North  
 54 Carolina General Statutes, except as provided elsewhere by state law. Contracts must  
 55 also comply with applicable board policies, including, but not limited to, policies 6430,  
 56 State Purchasing Requirements for Equipment, Materials, and Supplies; 6450, Purchase  
 57 of Services; 9030, Facility Construction; 9110, Use and Selection of Architects,  
 58 Engineers, Surveyors, and Construction Managers At Risk; and 9120, Bidding for  
 59 Construction Work.  
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61 All contracts subject to the E-Verify requirement will contain a provision stating that the  
 62 contractor and the contractor’s subcontractors must comply with the requirements of  
 63 Article 2 of Chapter 64 of the General Statutes.  
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65 Legal References: G.S. 64 art. 2; 115C-36, -47, -264, -440, -441, -522, -528; 143-49 and art. 8;  
 66 147 art. 6E, art. 6G  
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68 Cross References: Pre-Audit and Disbursement Certifications (policy 6421), Purchasing  
 69 Requirements for Equipment, Materials, and Supplies (policy 6430), Purchase of Services  
 70 (policy 6450), Budget Resolution (policy 8110), Facility Construction (policy 9030), Use and  
 71 Selection of Architects, Engineers, Surveyors, and Construction Managers At Risk (policy  
 72 9110), Bidding for Construction Work (policy 9120)  
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74 Adopted: September 19, 2016  
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76 Revised: March 5, 2018; [DATE]