

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

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 16 Any contract **for materials, equipment, or services** involving expenditures in excess of
 17 \$90,000 must be reviewed by the board attorney and approved in advance by the board
 18 unless provided otherwise in board policy. (Approval requirements for construction and
 19 repair contracts are established in policy 9120, Bidding for Construction Work.) Unless
 20 otherwise prohibited by statute or regulation, the superintendent or designee is authorized
 21 to enter into contracts or approve amendments to contracts for materials, equipment,
 22 supplies, or services involving amounts up to \$90,000, **except board approval is required**
 23 **for contracts and change orders that would result in more than \$90,000 being paid to the**
 24 **same vendor during the same fiscal year or any consecutive 12-month period. However,**
 25 **eChange orders for construction and repair contracts are subject to the requirements of**
 26 **policy 9030, Facility Construction, not this provision.**
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28 To provide greater flexibility at the school level, the superintendent also may establish
 29 circumstances in which principals may enter contracts involving amounts less than
 30 \$10,000. The superintendent, with appropriate involvement of the finance officer, shall
 31 establish any procedures necessary to ensure fiscal accountability and reporting by
 32 principals who enter into contracts.
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34 **B. CONTRACT FORMS**
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36 The board attorney shall review any contract forms developed for use by a school or the
 37 school system.
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39 **C. LEASE PURCHASE CONTRACTS**
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41 The finance officer must approve any request to enter lease purchase contracts as
 42 authorized by G.S. 115C-528, regardless of the dollar amount. After considering the
 43 principal and amount of interest, the superintendent must determine that the lease
 44 purchase is a fiscally prudent choice that is consistent with board policy.

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

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 50 **D. OTHER APPLICABLE POLICIES AND LAWS**

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 52 Purchases may be made through the State Division of Purchase and Contract in
 53 accordance with the Division’s rules and regulations, as authorized by G.S. 115C-522.

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

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

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 68 Legal References: G.S. 64 art. 2; 115C-36, -47, -264, -440, -441, -522, -528; 143-49 and art. 8;
 69 147 art. 6E, art. 6G

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 71 Cross References: Preaudit and Disbursement Certifications (policy 6421), Purchasing
 72 Requirements for Equipment, Materials, and Supplies (policy 6430), Purchase of Services
 73 (policy 6450), Budget Resolution (policy 8110), Facility Construction (policy 9030), Use and
 74 Selection of Architects, Engineers, Surveyors, and Construction Managers At Risk (policy
 75 9110), Bidding for Construction Work (policy 9120)

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 77 Adopted: September 19, 2016

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 79 Revised: March 5, 2018; July 16, 2018; [DATE]