

1 Except as otherwise provided by law, no obligation may be incurred by the school system unless
2 the budget resolution includes an appropriation authorizing the obligation and an unencumbered
3 balance remains in the appropriation sufficient to pay in the current fiscal year the sums
4 obligated by the transaction for the current fiscal year.
5

6 **An obligation incurred in violation of the requirements of state law as specified in this policy is**
7 **invalid and may not be enforced. The finance officer shall establish procedures in accordance**
8 **with any rules adopted by the Local Government Commission to assure compliance with**
9 **statutory requirements and this policy.**

10
11 **A. PREAUDIT CERTIFICATION**

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13 If an obligation is reduced to a written contract or written agreement requiring the
14 payment of money, or is evidenced by a purchase order for supplies and materials, the
15 written contract, agreement, or purchase order will include on its face a certificate stating
16 that the instrument has been preaudited to assure compliance with state law. The finance
17 officer shall sign the certificate, which will take substantially the following form:
18

19 This instrument has been preaudited in the manner required by the School
20 Budget and Fiscal Control Act.

21 _____
22 *(date)*

23 _____
24 *(signature of finance officer)*
25

26 **B. DISBURSEMENT CERTIFICATION**

27
28 The board authorizes bills, invoices, salaries, and other claims to be paid by check or
29 draft on an official depository; bank wire transfer from an official depository; electronic
30 payment or an electronic funds transfer originated by the school system through an
31 official depository; or warrant on the State Treasurer. Any check or draft on an official
32 depository will bear on its face a certificate signed by the finance officer (or signed by a
33 designated board member if the board approves a claim that was disapproved by the
34 finance officer). The certificate will take substantially the following form:
35

36 This disbursement has been approved as required by the School Budget
37 and Fiscal Control Act.

38 _____
39 *(signature of finance officer)*
40

41 **C. EXCEPTIONS TO THE CERTIFICATION REQUIREMENTS**

42
43 No pre-audit or disbursement certificate is required for (1) an obligation, or a document
44 related to the obligation, that has been approved by the Local Government Commission;

45 (2) payroll expenditures, including employee benefits; or (3) electronic payments, ~~upon~~
46 ~~adoption of and~~ **made** in compliance with rules adopted by the Local Government
47 Commission.

48
49 ~~An obligation incurred in violation of the requirements of state law as specified in this policy is~~
50 ~~invalid and may not be enforced. The finance officer shall establish procedures in accordance~~
51 ~~with any rules adopted by the Local Government Commission to assure compliance with~~
52 ~~statutory requirements and this policy.~~

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54 Legal References: G.S. 115C-441; **20 N.C.A.C. 03.0409, 20 N.C.A.C. 03.0410**

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56 Cross References: **Contracts with the Board (policy 6420), Budget Resolution (policy 8110),**
57 **School Finance Officer (policy 8510)**

58
59 Adopted: March 20, 2017

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61 **Revised: [DATE]**
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REVISED