

Policy Code: 6420 Contracts with the Board

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 board policy 8110, Budget Resolution, authorizes the expense and there is a sufficient unencumbered balance to pay the amount to be disbursed. (See policy 6421, Preaudit and Disbursement Certifications.) No contract may be entered into with a restricted company, as listed by the state treasurer in accordance with [G.S. 147, art. 6E](#) or [6G](#), except as permitted by those laws.

Any contract for materials, equipment, or services 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 for materials, equipment, supplies, or services involving amounts up to \$30,000, except board approval is required for contracts and change orders that would result in more than \$30,000 being paid to the same vendor during the same fiscal year ~~from July 1st through June 30th or any consecutive 12-month period.~~ 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 \$3,000. The superintendent, with appropriate involvement of the finance officer, will establish any procedures necessary to ensure fiscal accountability and reporting by principals who enter into contracts.

At least monthly, the superintendent shall report to the board all contracts and contract amendments approved by the superintendent under this policy that exceed \$30,000.

B. Contract Forms

Any contract forms developed for use by a school or the school system must be reviewed by the board attorney.

C. Lease Purchase Contracts

Any request to enter lease purchase contracts as authorized by [G.S. 115C-528](#), regardless of dollar amount, must be approved by the finance officer. 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 will 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 will be made as required by the State Division of Purchase and Contract. 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](#) and board policies, including, but not limited to, policies 6430, 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: Preaudit and Disbursement Certifications (policy 6421), Purchasing Requirements for Equipment, Materials, and Supplies (policy 6430), 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)

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Warren County Public Schools