

PRE-AUDIT AND DISBURSEMENT CERTIFICATIONS

Policy Code: 6421

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

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

A. PREAUDIT CERTIFICATION

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

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

(date)

(signature of finance officer)

B. DISBURSEMENT CERTIFICATION

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

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

(signature of finance officer)

C. EXCEPTIONS TO THE CERTIFICATION REQUIREMENTS

No pre-audit or disbursement certificate is required for (1) an obligation, or a document related to the obligation, that has been approved by the Local Government Commission; (2) payroll expenditures, including employee benefits; or (3) electronic payments, ~~upon adoption of and made~~ in compliance with rules adopted by the Local Government Commission.

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

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

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

Adopted: December 14, 2015

Revised: [DATE]