

Policy Code: 8600 Expenditure of Funds

The board will provide for the prompt payment of all incurred obligations, other necessary operating expenses and the salaries of school district personnel.

A. INCURRING OBLIGATIONS

The school district may not incur an obligation 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.

All requests for goods, services and equipment for which the board will be responsible for payment must be made on official purchase orders/ requisitions that meet the requirements of policy 6421 (Pre-Audit Certification).

B. DISBURSEMENTS

When a bill, invoice or other claim against the school district is presented, the finance officer will either approve or disapprove the necessary disbursement. The finance officer will approve the claim only if:

1. the finance officer determines the amount to be payable;
2. the budget resolution includes an appropriation authorizing the expenditure; and
3. either an encumbrance has been previously created for the transaction or an unencumbered balance remains in the appropriation sufficient to pay the amount to be disbursed.

A bill, invoice or other claim may not be paid unless it has been approved by the finance officer or by the board of education, as described below.

C. BOARD OF EDUCATION APPROVAL OF BILLS, INVOICES OR CLAIMS

The board may approve a bill, invoice or claim that has been disapproved by the finance officer, except for those claims for which no appropriation appears in the budget resolution or for which the appropriation contains no encumbrance and the unencumbered balance is less than the amount to be paid. The board will approve such payments by formal resolution. The resolution must state the board's reasons for allowing the bill, invoice or other claim and must be entered in the minutes together with the names of those voting in the affirmative. The board chairperson or a designated member will sign the certificate on the check or draft given in payment of the bill, invoice or other claim. If payment results in a violation of law, each member of the board voting to allow payment is jointly and severally liable for the full amount of the check or draft given in payment.

D. PAYMENT

The board may not pay a bill, invoice, salary or other claim except by a check or draft on an official depository, by a bank wire transfer from an official depository, or by a warrant on the State Treasurer. Each check or draft on an official depository, except for payroll checks, payroll drafts or state warrants, will bear on its face a certificate signed by the finance officer or signed by the chairman or some other member of the board pursuant to section C above. 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)

E. PENALTIES

Any officer or employee of the school district who incurs an obligation or pays out or causes to be paid out any funds in violation of this section will be liable, along with any surety on his/her official bond, for the sums so committed or disbursed. If the finance officer gives a false certificate to any contract, agreement, purchase order, check, draft or other document, the finance officer, along with any surety on his/her official bond, will be liable for any sums illegally committed or disbursed as a result.

Legal References: [G.S. 115C-47\(21\)](#), [-441](#)

Cross References: Pre-Audit Certification (policy 6421)

Adopted: 2/4/99

Chapel Hill-Carrboro Schools
