I. **PURPOSE:** To provide direction to school Principals in the area of their contracting authority.

II. **POLICY:** The Chief Executive Officer (CEO) has formal legal authority to sign all School System contracts. The CEO has delegated limited contracting authority to Principals involving the use of School Activity Funds (SAF) only.

III. **PROCEDURES:** Principals are authorized to execute contracts committing funds not provided by the Board of Education, on behalf of their school, and without further approval from their appropriate Instructional Director, subject to the following limitations:

A. No single contract may commit a sum greater than $10,000.

B. Multiple contracts with one vendor may not be executed in any one school year for amounts aggregating more than $10,000.

C. Contracts executed for one particular activity may not exceed the aggregate sum of $20,000 for the activity. For example, if five contracts are entered with different vendors for a senior prom for a total of $19,845, (photography-$2,400; decorations-$1,105; hall rental-$6,850; catering-$8,000; and advertising-$1,490), this would be acceptable. However, if a catering contract were added for $8,250, this would not be allowed without prior approval since total expenditure for the event (prom) exceeds $20,000.

D. Any contract(s) using SAF which exceeds the amounts identified in sections A-C above require the approval of the Director, Purchasing and Supply Services.

E. A Principal’s contracting authorization shall not be delegated to any other individual.

F. Copies of all contracts signed by Principals should be provided to the Purchasing and Supply Services Department, the repository for all contracts.

IV. **RELATED PROCEDURES:** See Administrative Procedure 5135.1, *Fundraising.*

V. **MAINTENANCE AND UPDATE OF THESE PROCEDURES:** The Office of the Chief Financial Officer is responsible for updating these procedures as needed.
VI. **CANCELLATIONS AND SUPERSEDURES:** This Administrative Procedure cancels and supersedes Administrative Procedure, dated July 1, 1983.

VII. **EFFECTIVE DATE:** January 22, 2016

Distribution: List 1, 2, 3, 4, 5, 6, 10, and 11