



Springs Public Schools Tennessee

Subject: Contracts Policy
Effective Date: February 23, 2023
Approved By: SPSTN Board of Directors
Policy: 2000

The power to contract is invested in the Board of Directors. However, in order to ensure the smooth running of the school and as permitted by law, the Board delegates the power to enter into contracts on behalf of the school as follows:

Purchasing

1. The Executive Director (“ED”) may authorize expenditures and may sign related contracts within the approved budget and any contracts of less than \$10,000. The Board of Directors must ratify expenditures or contracts between \$10,000 and \$25,000. All contracts for goods in excess of \$25,000 must be bid and approved by the Board of Directors.
2. The ED must approve all purchases.
3. When approving purchases, the ED shall:
 - a. Determine if the expenditure is budgeted
 - b. Determine if funds are currently available for expenditures (i.e. cash flow)
 - c. Determine if the expenditure is allowable under the appropriate revenue source
 - d. Determine if the expenditure is appropriate and consistent with the vision, approved charter, school policies and procedures, and any related laws or applicable regulations
 - e. Determine if the price is competitive and prudent. All purchases over \$10,000 must include documentation of a good faith effort to secure the lowest possible cost for comparable goods or services
4. Any individual making an authorized purchase on behalf of the Charter School shall provide the Bookkeeper with appropriate documentation of the purchase.
5. Using personal funds to make purchases on behalf of the Charter School shall be avoided. Individuals who use personal funds to make unauthorized purchases shall not be reimbursed. Authorized purchases shall be promptly reimbursed by a bank check upon receipt of appropriate documentation of the purchase.

Contracts for Service

1. Consideration shall be taken of in-house capability and capacity to accomplish services before contracting for them.
2. Written contracts clearly describing the scope of work to be performed shall be maintained for all contract service providers (e.g. consultants, independent contractors, subcontractors).

- a. Contract service providers must show proof of being licensed and bonded, if applicable, and of having adequate liability and worker's compensation insurance currently in effect. The ED may also require that contract service providers list the Charter School as an additional insured.
 - b. All contracts between the Charter School and outside agencies shall conform to standards required by law and shall be prepared under the direction of the designee.
3. The ED must approve all proposed contracts in writing.
4. Contract service providers shall be paid in accordance with approved contracts after work is performed unless otherwise agreed upon in the contract.
5. The Executive Director ("ED") may execute contracts of less than \$10,000. The Board of Directors must ratify expenditures or contracts between \$10,000 and \$50,000. All contracts for goods in excess of \$50,000 must be bid and approved by the Board of Directors.