Flowchart B

LGC Approval
Contracts Relating to Lease, Acquisition, or Construction of Capital Asset (G.S. 159-48)

Is the contract, agreement, or MOU with a State or Federal agency?

- Yes → **No LGC Approval**
- No ↓

Does the contract, agreement, or MOU involve the purchase of motor vehicles or voting machines? And, if the local government or public authority is on the LGC's unit assistance list is the motor vehicle purpose under $50,000?

- Yes → **No LGC Approval**
- No ↓

Does the contract, agreement, or MOU obligate the unit to pay money to another (including any contingent obligations)?

- No → **No LGC Approval**
- Yes ↓

Does the contract, agreement, or MOU obligate the unit, expressly or by implication, to exercise the power to levy taxes to make payments or pay any judgment against the unit because of breach? *(Note that G.S. 159-13 requires a local government to appropriate monies each year to pay obligations under continuing contracts unless the governing board expressly reserves the right not to.)*

- No → **No LGC Approval**
- Yes ↓

Does the contract, agreement, or MOU extend for five or more years from the date of the contract, or if the local government or public authority is on the LGC's unit assistance list three or more years from the date of the contract (including all options to extend)? *Note that multiple contracts involving the same undertaking are deemed a single contract. The term is the longest term under any single contract.*

- No → **No LGC Approval**
- Yes ↓

Does the contract, agreement, or MOU obligate the unit to pay the lesser of $500,000 or 1/10 of 1 percent of the assessed value of property subject to taxation, or if the local government or public authority is on the LGC's unit assistance list, $50,000 (including all options to extend and any contingent obligations)? *Note that multiple contracts involving the same undertaking are deemed a single contract. The amount is determined by adding the total of all sums due under each contract.*

- No → **No LGC Approval**
- Yes → **Go To LGC**

millonzi@sog.unc.edu