

MANAGEMENT SUPPORT SERVICES

Inter-fund Loans and Interest Bearing Warrants

The District shall maintain to the extent possible resources adequate to meet obligations without borrowing from other funds or incurring interest obligations as a result of the county treasurer having to register warrants as interest bearing because the fund upon which they are drawn is insufficient to pay them. When necessary, inter-fund loans shall be used as a revenue source in preference to incurring interest obligations to others.

Inter-fund loans between the general fund, the transportation vehicle fund, the capital projects fund, or the debt service fund may be used to alleviate a temporary cash deficiency. Such loans shall not be used to balance the budget of the borrowing fund; nor shall they deter any function or project for which the fund was established. The Board must adopt a resolution before any inter-fund loan transaction takes place. The resolution shall contain the exact amount of the loan, the funds involved, the specific source of funds for repayment, the schedule for repayment and the interest rate involved.

The assistant superintendent for business and operations shall advise the Board whenever the District causes the county treasurer to issue warrants on behalf of the District.

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**Legal References:**

RCW 28A.505.150 Budgeted expenditures as Appropriations Interim expenditures – Transfer between budget classes – Liability for non-budgeted expenditures.  
RCW 39.56.20 Rate on municipal warrants

Adoption Date: October 23, 1985

Revised: May 23, 2001

Revised: February 13, 2002