

**MANAGEMENT SUPPORT**

**Interfund Loans**

Interfund loans may be used to alleviate a temporary cash deficiency. Interfund loans may be made only to the general fund, the transportation vehicle fund, the capital projects fund or the debt service fund. Interfund loans may be made only from the general fund or the capital projects fund.

Such loans shall not be used to balance the budget of the borrowing fund; nor shall they be made to the detriment of any function or project for which the fund was established. An interfund loan will be completely liquidated in less than one year. Interest will be charged at a rate not less than the current warrant interest rate prevailing in Snohomish County and credited to the loaning fund.

The board must adopt a resolution before any interfund loan transaction takes place. The resolution will 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.

Legal Reference:      RCW 28A.505.150                    Budgeted expenditures as appropriations  
  - Interim expenditures – Transfer between  
  budget classes – Liability for non-budgeted  
  expenditures  
  WAC 392-123-135 through -160 Interfund loans - Definition

Adoption Date:        August 25, 1993  
Revised Date:         September 13, 2017  
Classification:        Discretionary