

WAC 392-123-150 Interfund loans—Payment of interest. (1) Interest shall be charged by the loaning fund to be paid by the borrowing fund. The rate of interest shall be not less than the current warrant interest rate prevailing in the county in which the school district is considered to be located. The interest shall be credited to the loaning fund and shall not be transferred to any other fund.

(2) When a school district that is in binding conditions pursuant to RCW 28A.505.110 or under enhanced financial oversight pursuant to RCW 28A.315.221 takes a temporary interfund loan from its capital projects fund, the loaning capital projects fund may not charge interest on the amounts loaned.

NEW SECTION

WAC 392-123-171 Proceeds from the sale of school district real property when the district is subject to binding conditions. (1) A school district that is subject to binding conditions designed to improve the district's financial stability may request from the superintendent authorization to sell real property to alleviate the financial burdens that caused or contributed to the imposition of binding conditions or to repay an interfund loan.

(2) Districts must submit a written request to the superintendent of public instruction that includes the following:

(a) The legal and common property description of the real property proposed for sale;

(b) An estimate of the property value;

(c) Confirmation of an appraisal or a date when an appraisal will be secured;

(d) A request for the amount that would be redirected for use to repay an interfund loan;

(e) A request for the amount that would be redirected to alleviate the financial burden that caused or contributed to the binding conditions;

(f) A date that the real property was declared surplus and a copy of the approved board resolution; and

(g) An acknowledgment that the district will be prohibited from any further sales of real property for this purpose for a minimum of 10 years.

(3) The superintendent of public instruction will review the request and notify the district superintendent and board of the decision in writing. If approved, the district will hold one additional public hearing prior to approving a resolution authorizing the sale of real property.

(4) Pursuant to RCW 28A.335.135, any proceeds from the sale of real property permitted by the superintendent of public instruction to be utilized to alleviate financial burdens are restricted to the following purposes:

(a) To address costs associated with unanticipated actual changes in annual average full-time equivalent enrollment that exceed 2.5 percent from the prior school year.

(b) For temporary cash flow needs in the general fund within the school year.

(c) For emergencies or as necessary for the preservation of life, health, and safety.

(d) To repay an interfund loan.

(e) For one-time expenses as preapproved by the office of superintendent of public instruction.

(5) A school district will not use the proceeds provided from the sale of real property for ongoing salaries or benefits.