

**CITY OF GOLD BAR, WASHINGTON  
RESOLUTION NO. 13-05**

**A RESOLUTION OF THE CITY OF GOLD BAR,  
WASHINGTON, FOR CORRECTING THE INTEREST RATE  
APPLIED TO INTERFUND LOANS**

**WHEREAS**, the Washington State Budgeting, Accounting and Reporting Manual (BARS) specifies that Interfund Loans are to have an interest rate based on the interest rate available to the municipality; and

**WHEREAS**, previous resolutions 11-06 and 12-13 used commercial loan rates of 6.0% and 4.5%; and

**WHEREAS**, the investment rate of the State Treasurer Local Government Investment Pool at the time of the resolutions were 0.1480% and 0.1746%; and

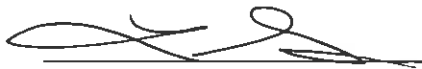
**WHEREAS**, this has caused the interest payments to be excessive.

**NOW THEREFORE, BE IT RESOLVED** by the City Council of the City of Gold Bar, Washington as follows:

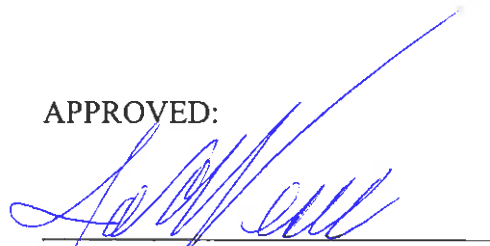
1. The interest rate on the interfund loan of Resolution 11-06 dated December 20, 2011 of 6.0% is hereby corrected to 0.1480% retroactive to December 20, 2011.
2. The interest rate on the interfund loan of Resolution 12-13 dated July 17, 2012 of 4.5% is hereby corrected to 0.1746% effective July 17, 2012.
3. The adjustments to both interfund loans are to be made in the current 2013 budget.
4. Excess interest paid will be applied to the interfund loan principal.

RESOLVED this 15th day of October, 2013.

ATTEST/AUTHENTICATED:

  
Lisa Stowe, City Clerk

APPROVED:

  
Joe Beavers, Mayor

# 2012 BARS MANUAL

## BUDGETING, ACCOUNTING AND REPORTING

### Chapter 4. Interfund Transactions

#### Section A. Interfund Loans

This section does not attempt to determine which money of a municipality may or may not be available for interfund lending, since the special character of some money involves commitments and restrictions which would require individual consideration. As a rule of thumb, however, it may be considered permissible to make interfund loans of those municipal money which are clearly inactive or in excess of anticipated cash needs throughout the duration of the loan and legally available for investment.

The minimum acceptable procedures for making and accounting for interfund loans are as follows:

1. The legislative body of a municipality must, by ordinance or resolution, approve all interfund loans, including the lending and borrowing funds, and provide in the authorization a planned schedule of repayment of the loan principal as well as setting a reasonable rate of interest (based on the external rate available to the municipality) to be paid to the lending fund. The planned schedule of repayment should specify the due date(s) of payment(s) needed to repay the principal and interest on the loan.