

Chapter 392-125 WAC

FINANCE—EDUCATIONAL SERVICE DISTRICT BUDGETING

WAC

392-125-003	Authority.
392-125-005	Purposes.
392-125-010	Principles of accounting.
392-125-011	Basis of budgeting and accounting.
392-125-012	Definitions—Revenue, accrual basis expenditures, cash basis expenditures, appropriation, and disbursements.
392-125-014	Educational service district fiscal year.
392-125-015	Budgets required.
392-125-020	Budget preparation, hearing and adoption.
392-125-025	Budget approval.
392-125-026	July and August 1991 budget.
392-125-027	Time schedule for July and August 1991 budget process.
392-125-030	Time schedule for fiscal year 1991-1992 budget process and for every fiscal year thereafter.
392-125-035	Budget content.
392-125-036	Core services funding formula.
392-125-040	Overexpending and exceeding the budget.
392-125-045	A balanced budget.
392-125-050	Termination of appropriations.
392-125-054	Budget transfers.
392-125-055	Budget extensions.
392-125-060	Monthly budget status report.
392-125-065	Content of the monthly budget status.
392-125-070	Approval of the budget by the superintendent of public instruction.
392-125-080	Contractual liability extending beyond end of fiscal period.
392-125-085	Financial reports submitted to superintendent of public instruction.
392-125-100	Interfund loans—Definition.
392-125-105	Interfund loans allowable.
392-125-110	Interfund loans—Identification of temporary loans.
392-125-120	Interfund loans—Payment of interest.
392-125-130	Interfund loans—Full disclosure on financial statements.
392-125-140	Interfund loans—Board resolution adopted—Contents.

DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

392-125-075	Distribution of county funds when county contains parts of two or more educational service districts. [Order 8-76, § 392-125-075, filed 7/23/76; Order 7-75, § 392-125-075, filed 12/22/75. Formerly WAC 392-31-150.] Repealed by WSR 81-19-007 (Order 81-19), filed 9/4/81. Statutory Authority: RCW 28A.21.135.
-------------	---

WAC 392-125-003 Authority. The authority for this chapter is RCW 28A.310.330 which authorizes the superintendent of public instruction to promulgate rules and regulations for the adoption of budgeting procedures for educational service districts modeled after the statutory procedure for school districts.

[Statutory Authority: 1990 c 33. WSR 90-16-002 (Order 18), § 392-125-003, filed 7/19/90, effective 8/19/90. Statutory Authority: RCW 28A.21.135. WSR 84-13-022 (Order 84-12), § 392-125-003, filed 6/13/84.]

WAC 392-125-005 Purposes. The purposes of this chapter are to implement RCW 28A.310.330 through 28A.310.460 and establish budgeting procedures governing educational service districts.

(8/23/05)

[Statutory Authority: 1990 c 33. WSR 90-16-002 (Order 18), § 392-125-005, filed 7/19/90, effective 8/19/90. Statutory Authority: RCW 28A.21.135 et seq. WSR 79-07-005 (Order 1-79), § 392-125-005, filed 6/7/79; Order 8-76, § 392-125-005, filed 7/23/76; Order 7-75, § 392-125-005, filed 12/22/75. Formerly WAC 392-31-010.]

WAC 392-125-010 Principles of accounting. In all cases, the budgeting and accounting systems of educational service districts shall be governed by generally accepted accounting principles modified where necessary by statute and/or this chapter. *The Accounting Manual for Educational Service Districts* shall govern the accounting system of educational service districts and is hereby incorporated into this chapter by this reference. Prior to any revision thereof, the superintendent of public instruction shall publish notice of such proposed action and shall hold at least one public hearing.

[Statutory Authority: Chapter 28A.150 RCW. WSR 05-17-177, § 392-125-010, filed 8/23/05, effective 9/23/05. Statutory Authority: RCW 28A.21.135. WSR 81-19-007 (Order 81-19), § 392-125-010, filed 9/4/81; Order 8-76, § 392-125-010, filed 7/23/76; Order 7-75, § 392-125-010, filed 12/22/75. Formerly WAC 392-31-020.]

WAC 392-125-011 Basis of budgeting and accounting. Revenue and expenditures shall be recognized on the accrual basis.

[Statutory Authority: RCW 28A.21.135. WSR 84-13-022 (Order 84-12), § 392-125-011, filed 6/13/84; WSR 81-19-007 (Order 81-19), § 392-125-011, filed 9/4/81.]

WAC 392-125-012 Definitions—Revenue, accrual basis expenditures, cash basis expenditures, appropriation, and disbursements. As used in this chapter, the term:

(1) "Revenue" shall mean an addition to assets of a fund of an educational service district during a fiscal period that is available to finance the funds' expenditures during the fiscal period. Revenue does not accompany the increase of liabilities or represent refunds of previous disbursements. Revenue may be in the form of cash, or in the form of noncash assets such as donated commodities. Revenue is limited to amounts received in cash or noncash donations, plus or minus adjustments for revenue accruals.

(2) "Cash basis revenue" shall mean the actual receipt of revenue not adjusted for revenue accruals.

(3) "Revenue accruals" shall mean those revenues which are (a) anticipated to be received in cash after the close of the fiscal period and (b) represent reimbursement for expenditures incurred by the end of the fiscal period. In order for revenue to be included in revenue accruals, it must meet the above tests.

Revenue accruals, if they meet both tests include: Reimbursements on categorical grants for which expenditures have been made but payment has not been received; pay-

[Ch. 392-125 WAC p. 1]

ments from school districts that are due, but are not collected by the end of the fiscal period; and rental or lease payments that are currently due, and there is reasonable assurance of payment.

(4) "Expenditures" shall mean the decrease in assets with no corresponding decrease in liabilities, or the increase in liabilities with no corresponding increase in assets.

(5) "Expenditure refunds" shall mean the increase in assets with a corresponding decrease in expenditures.

(6) "Revenue refunds" shall mean the increase in liabilities with a corresponding decrease in revenues.

(7) "Liabilities" shall mean debt or other legal obligations arising out of transactions in the past which are payable but not necessarily due.

(8) "Accrual basis expenditures" shall mean expenditures incurred during a given fiscal period, whether paid or unpaid.

(9) "Cash basis expenditures" shall mean the disbursement of cash for expenditures during a given fiscal period regardless of when liabilities are incurred, and the disbursement of inventory.

(10) "Appropriation" shall mean the maximum authorization during a given fiscal period to incur expenditures.

(11) "Disbursements" shall mean payments in cash, including the issuance of warrants, and the issuance of inventory.

[Statutory Authority: RCW 28A.21.135. WSR 85-15-111 (Order 85-4), § 392-125-012, filed 7/24/85; WSR 84-13-022 (Order 84-12), § 392-125-012, filed 6/13/84.]

WAC 392-125-014 Educational service district fiscal year. The following fiscal years shall be established for educational service districts and shall apply to all governmental, proprietary, and fiduciary fund entities, including all account groups under the jurisdiction of the educational service district board of directors:

There shall be a twelve-month fiscal period of July 1, 1990, through June 30, 1991, for the 1990-1991 fiscal year.

For July and August 1991 there shall be a two-month fiscal period with a budget for this two-month period to be prepared by May 10, 1991.

For fiscal year 1991-1992 there shall be a twelve-month fiscal period beginning September 1, 1991, and ending on August 31, 1992, with a budget to be prepared by July 10, 1991.

For every fiscal year thereafter, a twelve-month fiscal period shall begin on September 1 and end on August 31 with an annual budget to be prepared by July 10th.

[Statutory Authority: RCW 28A.310.330. WSR 91-07-063 (Order 91-05), § 392-125-014, filed 3/20/91, effective 4/20/91.]

WAC 392-125-015 Budgets required. Each educational service district shall prepare in accordance with this chapter and instructions from the superintendent of public instruction a complete general expense fund budget for each fiscal year of operation. An incomplete budget shall be considered null and void and shall not be an appropriation. The annual budget shall be prepared in the format prescribed by the superintendent of public instruction which will reflect the approved core funding formula pursuant to WAC 392-125-036, and shall receive all necessary approvals, and shall be

[Ch. 392-125 WAC p. 2]

filed with the proper officials in order to constitute an official budget and appropriation for each fiscal year. The superintendent may require a second or revised budget at any time the financial situation is deemed to warrant a revised budget.

[Statutory Authority: RCW 28A.310.330. WSR 91-07-063 (Order 91-05), § 392-125-015, filed 3/20/91, effective 4/20/91. Statutory Authority: RCW 28A.21.135. WSR 85-15-111 (Order 85-4), § 392-125-015, filed 7/24/85; WSR 81-19-007 (Order 81-19), § 392-125-015, filed 9/4/81. Statutory Authority: RCW 28A.21.135 et seq. WSR 79-07-005 (Order 1-79), § 392-125-015, filed 6/7/79; Order 8-76, § 392-125-015, filed 7/23/76; Order 7-75, § 392-125-015, filed 12/22/75. Formerly WAC 392-31-030.]

WAC 392-125-020 Budget preparation, hearing and adoption. Each educational service district shall prepare a budget for the operation of the educational service district for the ensuing fiscal year and following completion of the budget, shall publish a notice stating that the budget is completed and placed on file in the district headquarters office with copies available for any interested person or organization. The notice shall state the date, time, and place the educational service district board will meet for the purpose of fixing and adopting the budget of the district for the ensuing fiscal year. The notice shall also state that any person may appear during the meeting and be heard for or against any part of such budget. The notice shall be published once each week for two consecutive weeks following the completion of the budget in a newspaper of general circulation in the district.

An educational service district board shall secure the signature of the chairman of the superintendents' advisory committee as an indication that the budget has been reviewed by the committee. At the conclusion of the hearing which shall not exceed two days, the board of directors shall adopt the budget by resolution. After the budget has been adopted by the board at the public hearing, two certified copies shall be forwarded to the superintendent of public instruction in order that the superintendent may revise and fix the budget according to statute.

[Statutory Authority: RCW 28A.310.330. WSR 91-07-063 (Order 91-05), § 392-125-020, filed 3/20/91, effective 4/20/91. Statutory Authority: RCW 28A.21.135. WSR 85-15-111 (Order 85-4), § 392-125-020, filed 7/24/85; WSR 84-13-022 (Order 84-12), § 392-125-020, filed 6/13/84; WSR 81-19-007 (Order 81-19), § 392-125-020, filed 9/4/81; Order 8-76, § 392-125-020, filed 7/23/76; Order 7-75, § 392-125-020, filed 12/22/75. Formerly WAC 392-31-040.]

WAC 392-125-025 Budget approval. The superintendent of public instruction shall revise and fix the annual budget of each educational service district, establish the appropriation and return one approved copy of the budget to the district.

[Statutory Authority: RCW 28A.310.330. WSR 91-07-063 (Order 91-05), § 392-125-025, filed 3/20/91, effective 4/20/91. Statutory Authority: RCW 28A.21.135. WSR 84-13-022 (Order 84-12), § 392-125-025, filed 6/13/84; Order 8-76, § 392-125-025, filed 7/23/76; Order 7-75, § 392-125-025, filed 12/22/75. Formerly WAC 392-31-050.]

WAC 392-125-026 July and August 1991 budget. In order to implement a change in fiscal years, a short fiscal period shall exist from July 1, 1991, through August 31, 1991.

(1) Budgets for the period July 1, 1991, through August 31, 1991, shall be prepared and adopted in the format provided by the office of the superintendent of public instruc-

(8/23/05)

tion. The budget classifications shall be in accordance with the latest revised accounting manual for educational service districts published by the office of the superintendent of public instruction.

(2) The revenue section of said budget shall set forth the estimated revenues from all sources for said period and the probable fund balance available at the close of the 1990-1991 fiscal year.

(3) The expenditure section of said budget shall set forth by detailed items or classes the estimated expenditures for said period.

[Statutory Authority: RCW 28A.310.330. WSR 91-07-063 (Order 91-05), § 392-125-026, filed 3/20/91, effective 4/20/91.]

WAC 392-125-027 Time schedule for July and August 1991 budget process. The time schedule for preparation, adoption, and filing of the July and August 1991 budget is as follows:

On or Before	Requirement
May 10	Final date for board to prepare budget for July and August 1991. Immediately thereafter publish notice of the completion of the budget as provided in WAC 392-125-020.
14 days preceding public hearing	Copies of budget made available to interested citizens.
June 3, 1991	Final date for board in public hearing to fix and adopt the budget. (The maximum time for this hearing is two days.)
Conclusion of hearing	Board resolution to adopt budget (obtain signature of chairman of superintendents' advisory committee).
June 6, 1991	Forward two properly signed copies of budget to superintendent of public instruction.
June 28, 1991	Superintendent revises, fixes and approves budget and returns one copy to the district.

[Statutory Authority: RCW 28A.310.330. WSR 91-07-063 (Order 91-05), § 392-125-027, filed 3/20/91, effective 4/20/91.]

WAC 392-125-030 Time schedule for fiscal year 1991-1992 budget process and for every fiscal year thereafter. The time schedule for preparation, adoption, and filing of the fiscal year 1991-1992 annual budget and the budget for every year thereafter is as follows: If the superintendent of public instruction deems it necessary to request a second and revised budget, the timing of the process shall be similar and shall be outlined specifically in the request.

On or Before	Requirement
July 10	Final date for board to prepare budget. Immediately thereafter publish notice of the completion of the budget as provided in WAC 392-125-020.
July 15	Copies of budget made available to interested citizens.

On or Before	Requirement
August 1	Final date for board in public hearing to fix and adopt the budget. (The maximum time for this hearing is two days.)
Conclusion of hearing	Board resolution to adopt budget (obtain signature of chairman of superintendents' advisory committee).
August 3	Forward two properly signed copies of budget to superintendent of public instruction.
August 31	Superintendent revises, fixes and approves budget and returns one copy to the district.

[Statutory Authority: RCW 28A.310.330. WSR 91-07-063 (Order 91-05), § 392-125-030, filed 3/20/91, effective 4/20/91. Statutory Authority: RCW 28A.21.135. WSR 85-15-111 (Order 85-4), § 392-125-030, filed 7/24/85; WSR 84-13-022 (Order 84-12), § 392-125-030, filed 6/13/84; Order 8-76, § 392-125-030, filed 7/23/76; Order 7-75, § 392-125-030, filed 12/22/75. Formerly WAC 392-31-060.]

WAC 392-125-035 Budget content. (1) The budget prepared by an educational service district shall set forth the complete financial program and consider all activities of the district for the ensuing fiscal year in detailed expenditures by program and the sources of revenue from which it is to be financed.

(2) The revenue section of a budget shall set forth the estimated revenue from all sources for the ensuing fiscal year, the estimated revenue for the fiscal year current at the time of the budget preparation, the actual revenue for the last completed fiscal year, and the reserved and unreserved fund balances. The estimated revenues from all sources for the ensuing fiscal year shall not include any revenue not anticipated to be available during that fiscal year.

(3) The expenditure section of the budget shall set forth budgeted expenditures for the ensuing fiscal year, budgeted expenditures for the current fiscal year, and the actual expenditures for the last completed fiscal year. Expenditures shall be displayed by program, activity, and object of expenditure. Total salary amounts, full-time equivalents and the high, low, and average annual salaries shall be displayed by each job classification within each activity within each program. If individual salaries within each position title are not displayed, districts shall provide individual salaries together with the position title of the recipient and the total salary amounts budgeted for each program upon request. Salary schedules shall be displayed. In districts where negotiations have not been completed, the district may budget the salaries at the current year's rate and restrict fund balance for the amount of anticipated increase in salaries, so long as an explanation shall be attached to the budget on such restriction of fund balance.

The salary exhibits shall be divided into two major groupings with subtotals which agree with the object of expenditure detail in the budget. The two groupings are certified and classified.

(4) All pertinent items on the budget form shall be completed correctly before the budget is presented for hearing, review, and approval. Information pertaining to budget development which is not available at the time of budget

preparation shall be estimated using the most current and reliable information available.

[Statutory Authority: RCW 28A.21.135, WSR 85-15-111 (Order 85-4), § 392-125-035, filed 7/24/85; WSR 84-13-022 (Order 84-12), § 392-125-035, filed 6/13/84; WSR 80-06-042 (Order 80-15), § 392-125-035, filed 5/13/80. Statutory Authority: RCW 28A.21.135 et seq. WSR 79-07-005 (Order 1-79), § 392-125-035, filed 6/7/79; Order 8-76, § 392-125-035, filed 7/23/76; Order 7-75, § 392-125-035, filed 12/22/75. Formerly WAC 392-31-070.]

WAC 392-125-036 Core services funding formula.

(1) The superintendent of public instruction shall biennially review and adopt the core services funding formula for educational service districts based upon RCW 28A.310.340, 28A.310.350 and the considerations set forth in this section.

(2) The core services funding formula shall be established to identify basic, uniform services to be provided to school districts and to the superintendent of public instruction by educational service districts.

(3) The core funding formula provides for the equalization of services by educational service districts based on geographical features, number and size of districts served, and facility requirements.

(4) All educational service districts shall be allocated the following positions without regard to size:

- (a) Superintendent;
- (b) Executive secretary;
- (c) Receptionist;
- (d) Internal accountant;
- (e) Secretary; and
- (f) Certification clerk.

(5) All other positions in addition to those specified in subsection (4) of this section, both professional and clerical, shall be allocated on the basis of workload, e.g., total number of school districts, number of second-class school districts, number of online computer reports required. These positions shall be allocated to the educational service districts in the following manner:

(a) To provide fiscal office support to school districts most in need, allocations shall be based on the number of second-class school districts served.

(b) In the case of terminal operators, allocation shall be on a workload basis associated with the amount of hours required to process state reports.

(c) The level of curriculum and instruction services provided by educational service districts shall be based on the number of school districts served, regardless of district enrollment.

(6) Travel expenses shall be based on a mileage factor calculated for each educational service district. The factor shall be calculated by measuring the distance between each school district headquarters and the respective educational service district headquarters and obtaining the total mileage for the educational service district. The total mileage shall be multiplied by the number of professional staff allocated to the respective educational service district. The product shall then be multiplied by a standard dollar amount to be determined by the superintendent of public instruction after consultation with the Educational Service District Superintendents' Association.

(7) The expenses of board members shall be provided for in the formula by allocating a dollar amount to be determined

by the superintendent of public instruction after consultation with the Educational Service District Superintendents' Association for each educational service district board member.

(8) Maintenance and operation expenditures shall be provided in the formula by allocating a dollar amount to be determined by the superintendent of public instruction after consultation with the Educational Service District Superintendents' Association for each core staff position.

(9) The annual housing costs for each educational service district shall be agreed upon by the educational service district superintendents and approved by the superintendent of public instruction or his or her designee.

(10) Total compensation of core positions shall be allocated in accordance with the state biennial appropriations act.

(11) Unique situations may dictate exceptions to the formula which shall be recommended by the Educational Service District Superintendents' Association and approved by the superintendent of public instruction or his or her designee.

(12) The elements set forth in subsections (1) through (11) of this section shall:

(a) Serve as basis for preparing biennial budget requests to the regular sessions of the Washington state legislature; and

(b) Be considered in the approval or disapproval of the annual budgets of the educational service districts by the superintendent of public instruction.

[Statutory Authority: 1990 c 33, WSR 90-16-002 (Order 18), § 392-125-036, filed 7/19/90, effective 8/19/90. Statutory Authority: RCW 28A.21.135, WSR 85-15-111 (Order 85-4), § 392-125-036, filed 7/24/85. Statutory Authority: RCW 28A.21.135 et seq. WSR 79-07-005 (Order 1-79), § 392-125-036, filed 6/7/79.]

WAC 392-125-040 Overexpending and exceeding the budget. The budget as fixed and approved by the superintendent of public instruction shall constitute the appropriation from the general expense fund for an educational service district for the ensuing fiscal year. A budget is overexpended and is exceeded if expenditures are made in excess of the amount of the appropriation including budget extensions.

[Statutory Authority: RCW 28A.21.135, WSR 84-13-022 (Order 84-12), § 392-125-040, filed 6/13/84; Order 8-76, § 392-125-040, filed 7/23/76; Order 7-75, § 392-125-040, filed 12/22/75. Formerly WAC 392-31-080.]

WAC 392-125-045 A balanced budget. The estimated expenditures for the ensuing fiscal year shall not be greater than the total of the estimated revenues for the ensuing fiscal year plus the probable (for the initial budget) or actual (for budgets developed after fund balance is known) fund balance at the close of the fiscal year preceding the ensuing fiscal year. A budget is considered a balanced budget if the above requirement is met. The proceeds of any loan must not be used to balance the budget.

[Statutory Authority: RCW 28A.21.135, WSR 85-15-111 (Order 85-4), § 392-125-045, filed 7/24/85; WSR 84-13-022 (Order 84-12), § 392-125-045, filed 6/13/84; Order 8-76, § 392-125-045, filed 7/23/76; Order 7-75, § 392-125-045, filed 12/22/75. Formerly WAC 392-31-090.]

WAC 392-125-050 Termination of appropriations. All appropriations shall lapse at the end of the fiscal year. At the expiration of said fiscal year the appropriation shall become null and void and any claim presented thereafter

against any such appropriation for the fiscal year just closed shall be provided for in the appropriation for the ensuing fiscal year.

[Order 8-76, § 392-125-050, filed 7/23/76; Order 7-75, § 392-125-050, filed 12/22/75. Formerly WAC 392-31-100.]

WAC 392-125-054 Budget transfers. Transfers between budget classes may be made by the educational service district superintendent or finance officer, subject to such restrictions as may be imposed by the educational service district board of directors.

[Statutory Authority: RCW 28A.21.135. WSR 80-06-042 (Order 80-15), § 392-125-054, filed 5/13/80.]

WAC 392-125-055 Budget extensions. The procedure for increasing the appropriation level shall be patterned after the procedure that exists for second-class school districts.

If an educational service district needs an increase in the amount of the appropriation for any reason, the educational service district board of directors shall adopt a resolution stating the specific reason(s) for extending the budget, the estimated amount of additional appropriation needed and the source(s) of funds.

Such resolution shall be voted on at a public meeting, notice to be given in the manner provided by WAC 392-125-020. Its introduction and passage shall require the vote of a majority of all members of the educational service district board of directors.

Any person may appear at the meeting at which the appropriation resolution is to be voted on and be heard for or against the adoption thereof.

An educational service district board shall secure the signature of the chairman of the superintendent's advisory committee as an indication that the budget extension resolution and the revised budget document or budget extension forms have been reviewed by the committee.

Upon passage of the appropriation resolution the educational service district shall petition the superintendent of public instruction for approval to increase the amount of its appropriation, such petition to be made on forms provided by the superintendent of public instruction. Four copies of the request for budget extension shall be prepared and attached to each copy shall be: (1) A copy of the latest budget status report and (2) a copy of the board's appropriation resolution.

The appropriation resolution approved by the superintendent of public instruction shall be filed by the superintendent of public instruction with the educational service district, the office of the state auditor, and the appropriate county auditor.

[Statutory Authority: RCW 28A.21.135. WSR 80-06-042 (Order 80-15), § 392-125-055, filed 5/13/80; Order 8-76, § 392-125-055, filed 7/23/76; Order 7-75, § 392-125-055, filed 12/22/75. Formerly WAC 392-31-110.]

WAC 392-125-060 Monthly budget status report. A budget status report shall be prepared by the administration of each educational service district on a monthly basis. A monthly budget status report shall contain the most current information available at the time of preparation and shall be made available to each member of the district board at its regular monthly meeting and to the superintendent of public

instruction along with other financial information if deemed necessary by the superintendent of public instruction.

[Statutory Authority: RCW 28A.21.135. WSR 81-19-007 (Order 81-19), § 392-125-060, filed 9/4/81; Order 8-76, § 392-125-060, filed 7/23/76; Order 7-75, § 392-125-060, filed 12/22/75. Formerly WAC 392-31-120.]

WAC 392-125-065 Content of the monthly budget status. The monthly budget status report shall contain the most current approved budget amounts by summary level accounts and the fund balance at the beginning and end of the period being analyzed. Encumbrances also shall be reflected in the report. The report shall display activity on a fiscal year-to-date basis on both revenues and expenditures and the "as of" date shall be indicated at the top of the report.

[Statutory Authority: RCW 28A.21.135. WSR 85-15-111 (Order 85-4), § 392-125-065, filed 7/24/85; WSR 84-13-022 (Order 84-12), § 392-125-065, filed 6/13/84; Order 8-76, § 392-125-065, filed 7/23/76; Order 7-75, § 392-125-065, filed 12/22/75. Formerly WAC 392-31-130.]

WAC 392-125-070 Approval of the budget by the superintendent of public instruction. The superintendent of public instruction may approve an educational service district's budget or request for a budget extension as presented or revise and fix a budget or request for an extension and establish the appropriation. In revising a budget or budget extension, the superintendent shall collect information and prepare exhibits which display the financial condition of the district. The revised financial plan shall include specific budgeted expenditure levels. The financial plan may include the required district staff levels necessary to insure improvements in the financial condition of the district.

[Order 8-76, § 392-125-070, filed 7/23/76; Order 7-75, § 392-125-070, filed 12/22/75. Formerly WAC 392-31-140.]

WAC 392-125-080 Contractual liability extending beyond end of fiscal period. The board of any educational district may enter into contracts for their respective districts for periods not exceeding twenty years in duration with public and private persons, organizations, and entities for the following purposes:

- (1) To rent or lease building space, portable buildings, security systems, computers, and other equipment; and
- (2) To have maintained and repaired security systems, computers and other equipment.

The budget of each educational service district shall contain a schedule which identifies that portion of each contractual liability incurred pursuant to RCW 28A.310.460 which extends beyond the fiscal period. Said schedule shall list for each such contractual liability a brief description, the accounting code, the beginning and ending dates, the total dollar amount, and the estimated amount extending beyond the end of the fiscal period being budgeted.

[Statutory Authority: RCW 28A.310.330. WSR 01-11-099, § 392-125-080, filed 5/18/01, effective 6/18/01. Statutory Authority: 1990 c 33. WSR 90-16-002 (Order 18), § 392-125-080, filed 7/19/90, effective 8/19/90. Statutory Authority: RCW 28A.21.135, 28A.21.310 and 28A.65.465. WSR 78-08-036 (Order 5-78), § 392-125-080, filed 7/18/78.]

WAC 392-125-085 Financial reports submitted to superintendent of public instruction. Within ninety calendar days following the end of its fiscal year, each educational service district shall submit a financial report to the superin-

tendent of public instruction. Said report shall be in the format specified by the superintendent of public instruction.

[Statutory Authority: RCW 28A.310.330. WSR 91-07-063 (Order 91-05), § 392-125-085, filed 3/20/91, effective 4/20/91. Statutory Authority: RCW 28A.21.135. WSR 81-19-007 (Order 81-19), § 392-125-085, filed 9/4/81.]

WAC 392-125-100 Interfund loans—Definition. An interfund loan is considered to be a temporary loan of moneys between one educational service district fund and another. An interfund loan is not considered to be an investment.

[Statutory Authority: Chapter 28A.150 RCW. WSR 05-17-177, § 392-125-100, filed 8/23/05, effective 9/23/05.]

WAC 392-125-105 Interfund loans allowable. Loans are allowable to the general expense fund and the enterprise fund. Loans shall not be made to the detriment of any function or project for which the fund was established.

[Statutory Authority: Chapter 28A.150 RCW. WSR 05-17-177, § 392-125-105, filed 8/23/05, effective 9/23/05.]

WAC 392-125-110 Interfund loans—Identification of temporary loans. A temporary loan is considered to be a loan which is completely liquidated in less than one year.

[Statutory Authority: Chapter 28A.150 RCW. WSR 05-17-177, § 392-125-110, filed 8/23/05, effective 9/23/05.]

WAC 392-125-120 Interfund loans—Payment of interest. 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 educational service district is considered to be located. The interest shall be credited to the loaning fund and shall not be transferred to any other fund.

[Statutory Authority: Chapter 28A.150 RCW. WSR 05-17-177, § 392-125-120, filed 8/23/05, effective 9/23/05.]

WAC 392-125-130 Interfund loans—Full disclosure on financial statements. Financial reports of each educational service district, including the monthly financial reports provided to the board of directors of the educational service district, shall specify all outstanding interfund loans and all interest charges involved. The proceeds of any interfund loan shall not be used to balance the budget of the borrowing fund.

[Statutory Authority: Chapter 28A.150 RCW. WSR 05-17-177, § 392-125-130, filed 8/23/05, effective 9/23/05.]

WAC 392-125-140 Interfund loans—Board resolution adopted—Contents. The board of directors of an educational service district shall adopt a resolution before any interfund loan transaction may take 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.

[Statutory Authority: Chapter 28A.150 RCW. WSR 05-17-177, § 392-125-140, filed 8/23/05, effective 9/23/05.]