

Step 16 – Interest Calculation

Specific resources or capital projects may require interest income to be posted.

Calculation of interest income should be done based upon:

- daily cash balances for federal programs
- quarterly average cash balances may be used for *non-federal* resources and capital projects

Sonoma County Treasury Quarterly Rates

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Sept	1.048	.809	.867	.818	.682	.559	.672	.858	1.197
Dec	.813	.567	.879	.721	.613	.564	.692	.965	1.260
March	.913	.609	.927	.754	.572	.627	.801	1.108	1.438
June	.794	.567	.874	.828	.491	.549	.865	1.162	

If you need to calculate interest before the 4th quarter is available, add the rates of the 3 quarters known and divide by 3 to get an average.

Example of general journal entry to post interest income to a restricted resource:

Transfer of interest income from unrestricted to restricted program for the 1 st quarter of 2017-18	
xx-0000-0-0000-0000-8660-000-0000	debit
xx-xxxx-0-0000-0000-8660-000-0000	credit

Federal Programs ~ reporting and remitting:

CDE federal program grantees are required to report and remit interest to the CDE **at least quarterly**. Although grantees are allowed to keep interest amounts up to \$500 per year for administrative purposes, the \$500 is in total for all federal programs, not for each federal program. LEAs should remit to the CDE only the interest earned on federal program advances administered by the CDE (interest earned on non-CDE administered program advances should be calculated separately and remitted to the Federal Treasury via the appropriate state or federal agency).

When reporting and remitting federal interest to the CDE, grantees should specify:

- ✚ The time period of interest earnings (Ex. Oct 1, 2017 through December 31, 2017)
- ✚ Federal program resource codes
- ✚ LEA's County-District-School (CDS) code
- ✚ Identify the payment as "Federal Interest Returned"

Interest on federal cash balances should be sent to the CDE at the following address:

California Department of Education
P.O. Box 515006
Sacramento, CA 95851
Attention: Cashier's Office

If there is no interest to remit, submit an e-mail to the CDE, noting your CDS code, time period of interest earnings and that no interest is due, to the following address:

cashmanagement@cde.ca.gov

Calculating Interest

Interest on federal advances must be **calculated on a daily cash balance** by combining federal programs cash balances, both positive and negative. However, if the combined federal program cash balance is negative for any given day during the period, average cash balance should be considered zero for that day. **For greater detail, go to:** <http://www.cde.ca.gov/fg/ac/co/intfedfunds-calculating.asp>

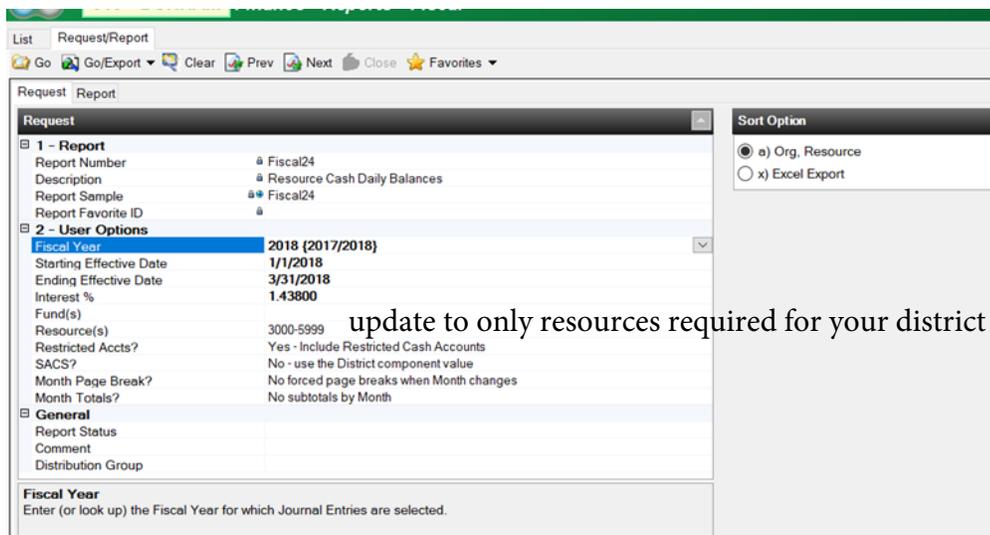
LEAs will be entitled to keep up to \$500 per fiscal year on federal interest earned.

LEAs should only calculate interest on the cash balances of federal program advances (the cash balances of federal reimbursement programs should be omitted in calculating federal interest due to the Federal Treasury).

Interest calculation ~ daily cash basis:

To calculate interest on a daily basis run Escape Resource Cash Daily Balances Fiscal24 report

1. Under Finance/Reports/Fiscal select Fiscal 24
2. Complete the following fields:
 - ~ Fiscal Year
 - ~ Starting Effective Date
 - ~ Ending Effective Date
 - ~ Interest rate (*use applicable rate that encompasses the period chosen*)
 - ~ Resource Codes
3. Click "Go" and your report will appear



The account coding on warrants sent to the CDE for remittance of interest earned on federal program cash advances should be: xx-0000-0-0000-0000-8660-000-0000.

Reminders:

1. Cash balances of federal reimbursement programs (e.g. Medi-Cal Billing Option, REAP, etc.) should be omitted in calculating federal interest due. See: www.cde.ca.gov/fg/ac/co/reimbursableprograms.asp
2. Cash balances of school food service funds should be omitted in calculating federal interest due. Interest earned on cafeteria fund accounts is considered allowable revenue and must accrue to the nonprofit food service account. For further detail, refer to the Nutrition Services Division Management Bulletin "Interest Earned on the Cafeteria Account/Fund" www.cde.ca.gov/ls/nu/sn/mbusdasnp162009.asp

NEW: omit resource 3310 and provide back for interest rate

The rate can be found on Treasurer's website or in Escape. See examples below:

Example 1:

RPT: FAP
 RUN: 01/15/19 08:52

SONOMA COUNTY
 APPORTIONMENT REPORT

10/01/18 THROUGH 12/31/18

FUND NUMBER	FUND NAME	DOLLAR DAYS	APPORTIONMENT	FUND TOTAL
097105 92010100	G S.A.-REF-Healdsburg Spec	6,274,739.48	339.22	339.22
097110 92010200	G S.A.-REF-RES-Healds Spec	8,341,433.92	450.94	450.94
097205 92020100	G RP-Canon Manor Dev Cons	1,647,646.40	89.07	89.07
097220 92020400	G Canon Manor West DS	5,160,469.13	278.98	278.98
097225 92020500	G Canon Manor West Rsv	34,782,730.72	1,880.36	1,880.36
097305 92030100	G S.A.-Eighth Street East	33,930,941.36	1,834.32	1,834.32
097405 92040100	G S.A.-Mirabel Heights	467,925.04	25.29	25.29
097410 92040200	G S.A.-Mirabel Heights Sew	5,514,000.91	298.09	298.09
097415 92040300	G S.A.-RES-Mirabel Hgts Sw	6,825,272.08	368.98	368.98
097515 92050300	G SA-Mitchell/Shiloh/Conde	12,557,717.98	678.87	678.87
097520 92050400	G SA-Res-Mitchell/Shiloh/C	33,147,050.76	1,791.94	1,791.94
097605 92060100	G SA-Misc-Russen Rvr Wtr 1	2,966,031.23	160.35	160.35
097610 92060200	G SA-Misc-Summer Home Pk	1,762,078.20	95.25	95.25
097615 92060300	G S.A.-Misc-Hacienda	2,467,625.05	133.40	133.40
097620 92060400	G SA-RRCWD 2009-2Rural Cym	2,028,944.22	109.69	109.69
097625 92060500	G SA-RRCWD 2009-1 Hollydal	1,459,192.90	78.88	78.88
097630 92060600	G S.A.-RRCWD 2009-3 Marigo	978,733.34	52.91	52.91
097635 92060700	G S.A.-Reserve-Hacienda	6,409,867.24	346.52	346.52
097640 92060800	G SA-Res-RRCWD 2009-2 Rur	1,849,671.04	100.00	100.00
097645 92060900	G SA-Res-RRCWD 2009-1 Holl	912,962.92	49.35	49.35
097650 92061000	G SA-Res-RRCWD 2009-3 Mari	1,158,120.84	62.61	62.61
097705 92070100	G SA-Misc-Occidental CSD 1	367,791.82	19.88	19.88
097710 92070200	G S.A.-Misc-OCSD #2	2,786,816.92	150.66	150.66
097715 92070300	G S.A.-Reserve-OCSD #2	3,244,842.76	175.42	175.42
097905 92090100	G SO CO BIA	67,186,145.91	3,632.10	3,632.10
TOTAL DOLLARS APPORTIONED		11,115,457.92		
TOTAL DOLLAR DAYS :		205,612,248,891.14		
EFFECTIVE INTEREST RATE :		1.973		

Example 2:

Item	Name	Description	Date	Budget	Budget	Revenue	Balance
Fund 01 - General Fund							
01-0000-0-0000-0000-8660-000-0000 Interest,Unrestricted/no							
	BA19-00001	Approve Budget,OB19-05,Fund 01	07/01/18	18,000.00	18,000.00		18,000.00
	CT19-00205	Q4 17-18 PR fnds interest distrib.	08/20/18			208.76	17,791.24
	CT19-00209	Q4 17-18 vndr clmg interest distrib	08/21/18			311.63	17,479.61
	CT19-00211	Q4 17-18 SCTF interest distrib	08/21/18			57.09	17,422.52
	CT19-00215	Q4 17-18 DNP interest distribution	08/22/18			786.81	16,635.71
	CT19-00525	^^Q1 18-19 Interest (1.771) pg 9	10/23/18			9,274.86	7,360.85
	CT19-01035	^^Q2 18-19 Interest (1.973) p 9	01/22/19			6,313.63	1,047.22
		Account Total	06/30/19	18,000.00	18,000.00	16,952.78	
		Total for Org 051 and Fund General Fund		18,000.00	18,000.00	16,952.78	1,047.22