Year-End Closing Hints & Accrual Review Emails

[Monday, August 10, 2026]

16. Subject: Year-End Closing Hint #16 - Federal Interest

Good morning,

Districts are required to calculate **interest earnings on federal restricted programs (Resources 3000–5999)**, unless the resource is specifically exempt. This Helpful Hint outlines the available calculation tools and year-end requirements.

Federal Interest Resources

Visit the BAS website for:

- The list of **excluded federal resources**.
- The **2025-26 quarterly interest rates** (updated with Quarter 4 rates).

Federal Interest – BAS Website

Interest Calculation Methods

You may use either of the following tools:

- **Quarterly Interest Report** in **COMPASSedu EduReports 3.0** *(recommended)*.
  - Manually enter the current quarterly interest rates from the BAS website.
- **Daily Interest Calculation Worksheet**, available on the BAS website.

Reminder: If your district owes **more than $500** in interest to CDE, a payable must be established in accordance with CDE instructions.

Year-End Interest Payable

As of **June 30, 2026**, establish an **Interest Payable** for any **federal interest owed**, **less any interest payments remitted by June 30**.

Account	Coding
Interest Payable (Object 8660)	xx-0000-0-0000-0000-8660-000-0000

Note:

- Record the payable in the **fund where the interest was earned**.
- Do **not** record the payable in the federal resource where the expenditures occurred.
- For **Fund 01**, record all federal interest to **Resource 0000 (Unrestricted)**.

Documentation

Maintain copies of all calculations and supporting reports for audit purposes.

If you need assistance with any of the situations above, please contact your Business Services Advisor.