

Interest example- agencies without receivable systems that automatically calculate interest

Principal debt 100

Assigned to DOR 1/1/17

Interest of 9%

Payment on 6/30/17 50

DOR report

Collection fee 7.5

Interest 4.5

(6 months at 9%)

Principal 38

Total pmt 50

(42.50 remitted to agency)

Agency entry

(no fee passed to debtor)

Debit	Accounts Receivable (non-current)	4.5	
Credit	Accumulated Interest		4.5
	(A/R balance is now \$104.5)		

Debit	Unreconciled deposit	50	
Debit	Collection fees	7.5	
Credit	Accounts receivable		50
Credit	Unreconciled deposit		7.5
	(A/R balance is \$54.50 after payment)		

Agency entry

(fee passed to debtor)

Debit	Accounts Receivable	4.5	
Credit	Accumulated interest		4.5
Debit	Unreconciled deposit	42.5	
Credit	Accounts Receivable		42.5
	(A/R balance is \$62.00 after payment)		