

Calculate Monthly Interest

A note receivable usually includes a specific interest rate, or a rate which is tied to another interest rate, such as a bank's prime rate. The calculation of the interest earned on a note receivable is: $\text{Principal} \times \text{Interest rate} \times \text{Time period} = \text{Interest earned}$

Upon entry into Calculate Monthly Interest the Calculate Interest window will be displayed. This is only used for Pay Principal or Pay Interest First.

Last Interest Date: This field is non editable and used to view the last interest date. If the monthly interest is not calculated, then current system date will be displayed.

As Of: It's a date control, the minimum date for this control is current system date and user cannot select past dates.

- On Calculate interest form, user can select "As Of" date till next day of last interest calculation date.
- Interest will be calculated till the "As Of" Date.
- Date inserted into General Ledger will be the system date in any case. Also source number will be I0401 and not I0331.

Integration with General Ledger: when user calculate the calculate interest then two entries will be inserted into (Journal Entries) with an interest amount for respective note and for respective month.

Credit - GL Interest Income account

Debit - GL Notes Receivable account (which are configured in the Control file settings)