

# Interest Earned from Federal Grants – Example of Pro-Rated Tracking

An area school district tracks interest **monthly** on a **pro-rated** basis by grant program.

## Process

1. Identify the **monthly balance** on hand for each grant
2. Identify the **total bank balance**
3. Identify the **percent of bank balance** the grant represents
4. Record **total interest** earned for the month
5. Multiply the **total interest** earned by the **percent of bank balance** represented by the grant.
6. Calculate **total interest** by summing pro-rated interest from all federal grants
7. Retain \$500 allowable interest – remit remainder with a list by federal program

## Key Considerations

1. If operating via a **reimbursement** basis, the balance on hand will be negative and recorded **as 0% of bank balance**
2. Interest earned calculations can be verified by running the same calculations with the monthly total of all federal account balances.

# Interest Earned from Federal Grants – Example of Pro-Rated Tracking Continued

MONTH ENDING	ESSER 2 BALANCE	BANK BALANCE	% OF BANK BALANCE	TOTAL INTEREST EARNED	INTEREST EARNED BY PROGRAM
7/31/2022	(\$74,838.25)	\$14,467,912.63	0.00%	\$1,297.06	\$0.00
8/31/2022	\$99,036.21	\$13,228,724.82	0.75%	\$1,170.12	\$8.76
9/30/2022	\$203,363.82	\$13,512,615.11	1.50%	\$5,355.50	\$80.60
10/31/2022	\$242,937.87	\$16,156,129.21	1.50%	\$10,413.51	\$156.59
11/30/2022	\$180,560.86	\$15,962,693.28	1.13%	\$34,316.86	\$388.17
12/31/2022	\$148,378.08	\$15,959,714.36	0.93%	\$31,820.17	\$295.83
1/31/2023	\$206,776.85	\$14,879,678.24	1.39%	\$36,153.52	\$502.41
2/28/2023	(\$93,358.71)	\$15,334,259.57	0.00%	\$37,651.66	\$0.00
3/31/2023	(\$221,939.13)	\$13,371,406.66	0.00%	\$46,142.82	\$0.00
4/30/2023	(\$246,726.48)	\$13,743,199.25	0.00%	\$36,576.30	\$0.00
5/31/2023	\$24,616.15	\$12,465,445.12	0.20%	\$38,305.52	\$75.64
6/30/2023	(\$166,201.68)	\$14,056,517.42	0.00%	\$41,721.95	\$0.00
					\$1,508.00