

2017 – Interest Earned on CD’s, Money Market Accounts or Savings Accounts

Counties may establish, with written approval from their County Board, Certificates of Deposit, Money Market Accounts or Savings Accounts to reserve remaining county funds at the end of each year for special projects.

How the interest earned, from the Certificates of Deposit, Money Market Accounts or Savings Accounts, is posted to the accounting records is dependent on how the county and county board chooses to receive the funds.

A. The county and county board may choose to have the bank issue a check to the County DFCS office for the amount of interest earned, and the county should designate an account that the money is to be posted to, such as County Cash Advance, Restricted Funds-Staff Appreciation. It must be a county account or restricted fund account; the funds can not be posted to a state revenue or expenditure account.

1. Post receipt:

212.450 – County Cash Advance

117.102 – Restricted Fund Account (special CW child account would need to be established)

2. At Fiscal Year-end, no special entries would be needed.

B. The county and county board may choose to have the interest earned roll-over into the original account’s balance and thus continue to increase the Certificate of Deposit, Money Market Account, or Savings Accounts’ balance. If the county chooses this method, the accounting department will need to receive the bank statement each month/quarter/year showing how much interest was earned so that they can post the interest into the accounting records with a General Journal Entry.

1. According to the State Chart of Accounts, all Certificates of Deposit, Money Market Accounts, or Savings Accounts for County Funds should be posted to Account 117.107.

2. The General Journal Entry to post the interest earned would be as follows:

Savings Account – County	117.107	Debit
Revenue for Interest Earned	442.450	Credit

3. At Fiscal Year-end, during the June Pre-Close process, the system will generate an entry to close the Revenue for Interest Earned into the Fund Balance Account 320.271.