

SAM—STANDARD ENTRIES

ENTRY NO. 35
(Revised 5/87)

10535

Nature of Transaction:

Interest is received on investment securities and premium and discount on investments are amortized or accumulated. (This entry is made as a transaction of the month indicated by the date of the Controller's Receipt.)

Journal Entry for General Ledger Accounts:

Debit:

1140	Cash in State Treasury	a/
2014	Discount on Securities	b/

Credit:

1313	Accounts Receivable Revenue	c/
1320	Accrued Interest Receivable	d/
2013	Premium on Securities	e/
8000	Revenue	f/

- a/ Amount of interest received and deposited in the appropriate fund in the Treasury.
- b/ Amount of discount accumulation since the last accumulation of discount, either at the time of receipt of interest or accrual of interest as of June 30.
- c/ Amount of interest accrued at June 30 now liquidated.
- d/ Amount of accrued interest purchased collected at first interest date, exclusive of accrued interest purchased accounted through Account No. 1313 as a result of Entry No. A-5.
- e/ Amount of premium amortization since the last amortization of premium, either at the time of receipt of interest or accrual of interest as of June 30.
- f/ Amount of interest earned that was not accrued previously.

Source:

Document—Controller's Receipt

Explanation:

This entry is used to record the interest earnings, amortization of premium, and accumulation of discount on investment securities. The State Controller will show the amounts of premium being amortized or discount being accumulated and the amount of interest received. The "interest method" for amortization of premium and discount is used to yield an equal periodic rate of interest.