



SIMPLE INTEREST WORKSHEET

This worksheet will help you calculate the principal and interest of each individual payment on a Simple Interest Account.

- 1 **Calculate the "Annual Interest."** Example: \$18,000 (Principal Balance) X 17% (Interest Rate) (e.g., 17% = .17) = \$3,060 (Annual Interest)

Principal Balance		Interest Rate (APR)		Annual Interest
\$	X	%	=	

- 2 **Calculate the "Daily Interest."** Example: \$3,060 (Annual Interest)/365* = \$8.383561 (Per Diem/Daily Interest)
Note: Always use six digits after the decimal.

Annual Interest		Days/Year		Per Diem/Daily Interest
\$	÷	365*	=	

- 3 **Calculate the "Amount of Interest Due."** For this example, assume the payment was made on the first day of each month: 01/01/2022 until 02/01/2022 = 31 days.
\$8.383561 (Per Diem/Daily Interest) X 31 (Days Between Payments) = \$259.89 (Amount of Interest Due)

Daily Interest		Days Between Payments		Amount of Interest Due
\$	X		=	

- 4 **Calculate the "Amount Applied to Principal."** For this example, assume the Monthly Payment is \$550.
\$550 (Monthly Payment) - \$259.89 (Amount of Interest) = \$290.11 (Amount Applied to Principal)

Monthly Payment		Amount of Interest Due		Amount Applied to Principal
\$	-		=	

- 5 **Calculate the "New Principal Balance."** Example: \$18,000 (Principal Amount) - \$290.11 (Amount Applied to Principal) = \$17,709.89 (New Principal Balance)

Principal Balance		Amount Applied to Principal		New Principal Balance
\$	-		=	

Note: Each time there's an amount applied to the principal balance, the daily interest amount must be recalculated (Steps 1 and 2). The per diem changes when the principal balance changes.

*The standard basis for calculating per diem is 365 days; however, for the leap years, the basis is 366 days.