

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
\$ <input style="width: 90%;" type="text"/>	X	<input style="width: 90%;" type="text"/> %	=	<input style="width: 90%;" type="text"/>

- 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
\$ <input style="width: 90%;" type="text"/>	÷	<input style="width: 90%;" type="text"/> 365*	=	<input style="width: 90%;" type="text"/>

- 3 Calculate the "Amount of Interest Due."** For this example, assume the payment was made on the first day of each month: 01/01/2021 until 02/01/2021 = 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
\$ <input style="width: 90%;" type="text"/>	X	<input style="width: 90%;" type="text"/>	=	<input style="width: 90%;" type="text"/>

- 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
\$ <input style="width: 90%;" type="text"/>	-	<input style="width: 90%;" type="text"/>	=	<input style="width: 90%;" type="text"/>

- 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
\$ <input style="width: 90%;" type="text"/>	-	<input style="width: 90%;" type="text"/>	=	<input style="width: 90%;" type="text"/>

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.