



Treasury Financial Manual

Bulletin No. 2016-03

Retention: December 31, 2016

To: Heads of Government Departments, Agencies, and Others Concerned

Subject: Current Value of Funds Rate (CVFR)

1. Purpose

The Secretary of the Treasury is responsible for computing and publishing the rate that is used for Federal debt collection, cash discounts, and rebate evaluation. The Current Value of Funds Rate (CVFR) is a percentage based on the current value of funds to the Department of the Treasury (Treasury).

2. Background

The CVFR percentage is based on the investment rates for the Treasury Tax and Loan (TT&L) accounts set for purposes of Public Law 95-147, 91 Stat. 1227 (October 28, 1977).

Treasury annually computes the CVFR percentage by averaging investment rates for the 12-month period ending on September 30, rounding it to the nearest whole percentage. If the annual average (on a 12-month moving average basis) changes by 2 percent per quarter, Treasury revises the rate. Treasury's Bureau of the Fiscal Service publishes the presiding rate in the Federal Register and in a Treasury Financial Manual bulletin.

Current and previous rates can be obtained from the CVFR website at

http://www.fiscal.treasury.gov/fsreports/rpt/cvfr/cvfr_home.htm.

3. Percentage Rate Used When Assessing Interest Charges on Outstanding Debts Owed to the Government, Evaluating the Cost-Effectiveness of Cash Discounts, and Considering Payment Dates for Purchase Card Invoices

The CVFR percentage for the period January 1, 2016, through December 31, 2016, is 1 percent. This rate reflects the average investment rates for the 12-month period ending September 30, 2015.

4. Application

Federal agencies are to apply the CVFR percentage when:

- Assessing interest charges for outstanding debts owed to the Government (See 31 U.S.C.

§3717);

- Evaluating the cost-effectiveness of cash discounts (see the Prompt Payment website at https://www.fiscal.treasury.gov/fsservices/gov/pmt/promptPayment/calculator_discounts.htm); and
- Considering the date to pay purchase card invoices if a rebate is offered by the card issuer (5 CFR Part 1315.8). The Prompt Payment website at https://www.fiscal.treasury.gov/fsservices/gov/pmt/promptPayment/calculator_interest.htm provides a calculator that automatically calculates the net savings to the Government, enabling the agency to determine whether it should pay the invoice early or on the Prompt Payment due date.

5. Rescission

This bulletin will rescind TFM Volume I, Bulletin No. 2015-02.

6. Effective Date

This bulletin is effective on January 1, 2016.

7. Inquiries

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