



Treasury Financial Manual

Bulletin No. 2012-02

Volume I

Retention: December 31, 2012

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

Subject: Current Value of Funds Rate (CVFR) Percentage

1. Purpose

This Treasury Financial Manual (TFM) bulletin publishes the CVFR 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 accounts set for purposes of Public Law 95-147, 91 Stat. 1227 (October 28, 1977).

Annually, Treasury computes the CVFR percentage by averaging investment rates for the 12-month period ending on September 30, rounded to the nearest whole percentage. Quarterly, if the annual average (on a 12-month moving average basis) changes by 2 percent, Treasury revises the rate. Treasury's Financial Management Service (FMS) publishes the presiding rate in the Federal Register and in a TFM bulletin.

Agencies may obtain current and previous rates from the CVFR Web site at <http://www.fms.treas.gov/cvfr/index.html>.

3. Rate for Charges on Outstanding Debts Owed to the Government, Comparison Point for Cash Discounts, and Determination of Payment Due Dates for Purchase Card Invoices

The CVFR percentage during the period January 1, 2012, through December 31, 2012, is 1 percent. This rate reflects the average investment rates for the 12-month period ending September 30, 2011.

4. Application

Federal agencies will apply the CVFR percentage as follows:

- To assess interest charges for outstanding debts on debts owed the Government under Section 11 of the Debt Collection Act of 1982, Public Law 97-365, 96 Stat. 1749, 1755 (October 25, 1982), as amended by the Debt Collection Improvement Act of 1996, Public Law 104-134, Title III, § 31001 (April 26, 1996).
- To evaluate the cost-effectiveness of a cash discount as a comparison point. (See TFM Volume I, Part 6, Chapter 8000, subsections 8025.20, "Charges for Late Payments," and 8040.40, "Cash Discounts.") The Prompt Payment Web site at <http://www.fms.treas.gov/prompt/formulas.html> provides a formula for determining whether a discount is economically justifiable.
- To determine when agencies should pay purchase card invoices when a rebate is offered by the card issuer. (See 5 CFR Part 1315.8 of the Prompt Payment rule on "Rebates.") The Prompt Payment Web site at <http://www.fms.treas.gov/prompt/rebate.html> provides a spreadsheet that automatically calculates the net savings to the Government and determines whether the agency should pay early or on the Prompt Payment due date.

5. Rescission

This bulletin rescinds TFM Volume I, Bulletin No. 2011-03.

6. Effective Date

This bulletin is effective immediately.

7. Inquiries

Direct questions concerning this bulletin to:

Agency Enterprise Solutions Division
Payment Management
Financial Management Service
Department of the Treasury
401 14th Street, SW.
Washington, DC 20027
Telephone: 202-874-9428



Date: February 1, 2012

David A. Lebryk
Commissioner