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# Treasury Financial Manual

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## Bulletin No. 2014-02

**Retention: December 31, 2014**

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

**Subject: Current Value of Funds Rate (CVFR) Percentage**

### 1. Purpose

The Secretary of the Treasury is responsible for computing and publishing the percentage 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 TFM bulletin.

Current and previous rates can be obtained from the CVFR Web site at <http://www.fms.treas.gov/cvfr/index.html>.

### 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, 2014, through December 31, 2014, is 1 percent. This rate reflects the average investment rates for the 12-month period ending September 30, 2013.

### 4. Application

Federal agencies are to apply the CVFR percentage when:

- Assessing interest charges for outstanding debts owed to the Government (The Debt Collection Act of 1982, as amended, codified at 31 U.S.C. 3717, Public Law 97-365, 96 Stat. 1749, 1755 (October 25, 1982), as amended by the Debt Collection Improvement Act of 1996, 31 U.S.C. 3701 et seq., Public Law 104-134, Title III, § 31001 (April 26, 1996));

- Evaluating the cost-effectiveness of cash discounts. (See the Prompt Payment Web site at <http://www.fms.treas.gov/prompt/formulas.html>);

AND

- Considering when to pay purchase card invoices when a rebate is offered by the card issuer (5 CFR Part 1315.8). The Prompt Payment Web site at <http://www.fms.treas.gov/prompt/rebate.html> 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 become effective on January 1, 2014. It will rescind TFM Volume I, Bulletin No. 2013-03.

## **6. Effective Date**

This bulletin is effective on January 1, 2014.

## **7. Inquiries**

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