

Bulletin No. 2023-01

Retention: December 31, 2023

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 reflects the Current Value of Funds to the Treasury for use in connection with Federal Cash Management systems and is based on investment rates set for purposes of Public Law 95-147, 91 Stat. 1227 (October 28, 1977). The annual Interest Rate Factors used in determining the CVFR are based on weekly average of the Effective Federal Funds Rate (EFFR), less 25 basis points, for the 12-month period ending every September 30. The Treasury Office of Debt Management began providing the annual Interest Rate Factors in the October 2021 monthly reporting cycle. The CVFR is rounded to the nearest whole percentage and becomes effective each January 1. Treasury's Bureau of the Fiscal Service publishes the presiding rate annually in the Federal Register and in a TFM bulletin, or if the annual average (on a 12-month moving average basis) changes by at least 2 percent per quarter.

Current and previous rates can be obtained from the [CVFR](#) website.

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, 2023, through December 31, 2023, is 1 percent. This rate reflects the average investment rates for the 12-month period ending September 30, 2022.

4. Application

Federal agencies are to apply the CVFR percentage when:

- Assessing interest charges for outstanding debts owed the Government (See 31 U.S.C. § 3717), or
- Evaluating the cost-effectiveness of a cash discount, see the [Prompt Payment](#) website, or
- Considering the date to pay purchase card invoices if a rebate is offered by the card issuer. (See 5 CFR Part 1315.8). The Prompt Payment website 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. 2022-05.

6. Effective Date

This bulletin is effective on January 1, 2023.

7. Inquiries

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Disbursing and Debt Management
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Date: December 13, 2022