



United States Department of the Interior

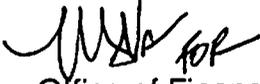
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240



DEC 16 2010

FINANCIAL MANAGEMENT MEMORANDUM 2010-026 (Vol. IX.A)

To: Bureau Assistant Directors for Administration
Bureau Chief Financial Officers

From: Don Geiger 
Acting Director, Office of Financial Management

Subject: Current Value of Funds Rate

Attached is a copy of the Federal Register dated October 26, 2010, Volume 75, No. 206, page 65710, which contains the Current Value of Funds Rate (CVFR) for calendar year 2011. The CVFR for the period beginning on January 1, 2011, and ending on December 31, 2011, is 1.00 percent.

The CVFR is required for use in the following financial calculations:

- Assessing interest charges for outstanding debts owed to the Federal Government.
- Determining whether to accept cash discounts by paying early. Prompt Payment rules require agencies to analyze the total costs and total benefits to the government of accepting a discount and paying early. The discount conversion formula is available at <http://www.fms.treas.gov/prompt/formulas.html>.
- Determining when to pay purchase card invoices when a rebate is offered by the credit card issuer. Prompt Payment rules require agencies to analyze the total costs and total benefits to the government of taking advantage of a credit card issuer's rebate offered for early payment. A spreadsheet at <http://www.fms.treas.gov/prompt/rebate.html> automatically calculates the net savings for credit card invoices if payment is made early versus the Prompt Payment due date. The spreadsheet requires input of both the basis points offered by the credit card provider and the CVFR in effect.

Should you have any questions on this subject, please contact Jonathan House on (202) 208-3840.

Attachment

cc: Financial Statement Guidance Team
Finance Officers Partnership

Cancelled FMMs:

No. 2009-015 (IX.A), March 31, 2009

Additional FMMs on the Subject:

No. 2009-099 (IX.A), December 18, 2009