



Jason E. Mumpower, Comptroller of the Treasury

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Comptroller Releases Guidance Following Penny Discontinuance

In response to the federal government's decision to stop producing the penny, the Tennessee Comptroller of the Treasury has issued guidance to help local governments, including utility systems, adjust their payment processing practices in a fair, transparent, and legally sound manner.

The guidance outlines several options local governments may consider when accepting cash payments, including encouraging exact change, offering electronic payment alternatives, crediting customer accounts for non-exact cash payments, and adjusting rates or fees to increments of five or ten cents when permitted by law.

The Comptroller's Office also urges local officials to carefully evaluate any changes before implementation. Key considerations include consulting legal counsel, applying policies uniformly, avoiding preferential treatment among payment types, training staff, and clearly communicating changes to the public.

"This guidance is intended to help local governments navigate a practical challenge while maintaining fairness, transparency, and compliance with the law," said Comptroller Jason Mumpower. "Each community is different, and local leaders should adopt policies that make sense for their residents while staying within their legal authority."

The guidance applies to counties, municipalities, and other local government entities across Tennessee, including utilities and authorities.

View the Guidance Memo on the Comptroller's website at tncot.cc/penny

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