

# CITY OF EVANS FINANCE POLICIES

## 2.0 CASH HANDLING- PENNIES

### 2.1 Purpose & Applicability

In 2025, the United States Treasury announced that pennies would no longer be produced. In November 2025, it was announced that the last batch of pennies had been minted and no further batches would be produced. Organizations and businesses that utilize cash transactions must prepare for the phase out of pennies as they will no longer be available in the near future. This policy is intended to address the City's approach to managing cash transactions involving pennies received or due as change to a customer.

This policy applies to all cash-based transactions processed by the City of Evans. Note that electronic and check transactions (transactions paid online or by credit card or check) are not impacted and should continue to be processed as usual.

### 2.2 Policy

#### 2.2.1 Acceptance of Pennies

Pennies will continue to be accepted as legal tender for all transactions. Departments that accept cash payments for goods or services should continue to accept pennies as a form of payment.

#### 2.2.2 Use of Pennies When Providing Change

Beginning March 1, 2026, the City of Evans will no longer provide change in the form of pennies. This will be the case even if the cashier has pennies available in their cash drawer. To ensure our customers receive consistent service, all transactions will be processed in the same manner. There will be situations where a customer makes a purchase, pays in cash, and has a balance owed that may include pennies. Guidance for how to process those transactions for various scenarios is addressed below.

**Utility Billing-** If a customer pays cash and is owed change, change will be provided to the nearest nickel (\$0.05) so as not to provide more change than is due. Any extra cents not provided in cash change will be credited to the customer's account and reflected as a reduction to their next bill.

For example, if the customer's utility bill balance due is \$40.76 and they pay with \$50.00 in cash, they will be provided with a cash change of \$9.20 and an account credit of \$0.04.

**All other cashier situations-** Departments that sell products or services and accept cash payments are encouraged to set their pricing so that transactions, including any applicable taxes, result in a balance due that ends in \$0.00 or \$0.05 (e.g. balance due of \$9.85 rather than \$9.84 or \$9.86).

For transactions that are taxable (most sales of goods), pricing should be set so that, as often as possible, the amount due including tax would not result in pennies being due as change. Below are some examples of pricing that results in pennies due and alternative pricing that would remove the pennies due.

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**2.2.3 Pricing Examples (Tax 8.40%)**

**Pricing that results in pennies due:**

PRICE	TAX	AMOUNT DUE
\$1.25	\$0.11	\$1.36
\$2.50	\$0.21	\$2.71
\$5.00	\$0.42	\$5.42
\$9.99	\$0.84	\$10.83
\$59.99	\$5.04	\$65.03
\$99.99	\$8.40	\$108.39

**Pricing that rounds to \$0.00 or \$0.05:**

PRICE	TAX	AMOUNT DUE
\$1.29	\$0.11	\$1.40
\$2.54	\$0.21	\$2.75
\$4.98	\$0.42	\$5.40
\$10.01	\$0.84	\$10.85
\$60.01	\$5.04	\$65.05
\$100.05	\$8.40	\$108.45

The Finance Department is available to help Departments review their pricing and determine what adjustments may be needed to avoid transactions resulting in pennies being due.

In the event that a cash transaction is processed and pennies are due to the customer, change will be provided to the nearest nickel (\$0.05), rounding in the customers favor. For example, if change due is \$1.54, change provided will be rounded up to \$1.55. The difference will be managed as a cash drawer over/short variance. If cash over/short variances become significant, the Finance Department will work with the Department processing the transactions to determine if pricing adjustments are necessary to avoid significant shortfalls.

In all cases, pricing advertised should clearly state the purchase price of the item. Receipts must clearly state the amount of the purchase and the amount of tax due as separate line items.

**2.2.4 Handling of Pennies**

**As of March 1, 2026**

Pennies in cash drawers should be deposited in the bank on the next scheduled cash deposit.

**After March 1, 2026**

Pennies received through regular transaction processing should be deposited in the bank on the next schedule cash deposit.

Pennies should not be provided as change to customers. This is to ensure customers are treated fairly and consistently. Change provided should follow the processes outlined in this policy.