

PUBLICATION

Penny Policies: Do You Have a Plan for Rounding Transactions?

Authors: Kara M. Ward, Joel Buckberg, William W. Fagan, III

February 25, 2026

Cash-accepting businesses are facing a convergence of operational and legal challenges as the penny continues to disappear from everyday circulation. While more than 100 billion pennies technically remain in existence, shortages at the register are becoming routine, forcing retailers and other cash-accepting businesses to make decisions about rounding practices – often without clear or uniform legal direction.

At the same time, states and localities are expanding restrictions on cashless business practices and scrutinizing pricing disparities between cash and card transactions. For businesses seeking to modernize payment operations while continuing to accept cash, these developments create meaningful compliance risks.

Why This Matters Now

Several overlapping trends are driving increased regulatory and enforcement attention:

- **Fragmented state and local guidance:** Some legislatures and consumer protection agencies have begun issuing guidance or proposing legislation on rounding practices, while many jurisdictions remain silent, leaving businesses to make judgment calls that may later be challenged.
- **Cash-payment nondiscrimination laws:** A growing number of state and local laws prohibit businesses from disadvantaging cash-paying customers, including Supplemental Nutrition Assistance Program/Electronic Benefit Transfer (SNAP/EBT) users, relative to card-paying consumers.
- **Card network and merchant agreement restrictions:** Credit card surcharge rules and merchant services agreements continue to limit how pricing differences can be implemented or communicated.

In this environment, rounding incorrectly – or poorly communicating rounding practices – can trigger customer complaints, regulatory scrutiny, or allegations of discriminatory pricing, deceptive practices, or truth-in-advertising violations.

Penny Rounding Is Not Just a Math Exercise

Designing and implementing a defensible penny-rounding policy requires navigating more than simple arithmetic. Businesses must account for:

- SNAP/EBT transaction requirements
- State and local laws governing cash acceptance and payment nondiscrimination
- Emerging federal, state, and locality guidance on when and how rounding may occur
- Point-of-sale system capabilities, upgrades, and consumer-facing signage
- Employee training, operational consistency, and union considerations

Without a clear, documented policy grounded in both legal requirements and operational reality, even well-intentioned businesses may find themselves exposed.

Baker Donelson's Practical Compliance Solution

Baker Donelson has a comprehensive, business-focused compliance guide designed to translate this evolving legal landscape into clear, actionable strategies for cash-accepting businesses.

What the Guide Delivers

Practical Tools for Immediate Use

- Auditable, corporate-level penny-rounding policy templates
- Point-of-sale notice and poster drafts
- Compliance checklists designed for multilocation operations

50-State + D.C. Legal Survey (Ongoing)

- Cash acceptance mandates and prohibitions
- Rounding and coin-related statutory or regulatory requirements
- Penalties, exemptions, and enforcement trends

Designed for Scalable Implementation

This guidance is particularly well-suited for:

- Grocery and convenience store chains
- Franchise systems
- Multilocation retailers
- Any business that continues to accept cash at the point of sale

This approach allows businesses to implement consistent, defensible practices while remaining flexible as states and localities continue to act.

For more information, or to discuss how penny rounding and cash acceptance issues may affect your business, please contact [Kara M. Ward](#), [Joel Buckberg](#), or [Will Fagan](#).