



Commonwealth of Pennsylvania
 Milk Marketing Board
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BULLETIN

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**BIDDING TO AND BILLING COMMONWEALTH INSTITUTIONS
 USING SAP ACCOUNTING PROGRAMS**

Due to the implementation of SAP accounting programs by the Commonwealth, state institutions have begun to require that all prices quoted be in even cents, with no unit pricing containing more than two (2) decimal places. Milk dealers bidding or billing such state institutions for price-controlled packaged products shall:

- First, apply any appropriate wholesale discount, rounding to four (4) decimal places. If the fifth decimal place is five (5) or more, round the fourth digit up. If the fifth decimal place is less than five (5), do not change the fourth digit.
- Second, round each line item to two (2) decimal places before multiplying by the quantity of the item bid or billed. If the third decimal place is five (5) or more, round the second digit up. If the third decimal place is less than five (5), do not change the second digit.

For example, for a half-pint product with an undiscounted price of \$0.2302 where the appropriate discount is \$0.1010 per quart equivalent, you would apply the discount and rounding as follows:

Price before Discount		\$0.2302
Less Discount	(\$0.1010 ÷ 4)	- <u>\$0.02525</u>
Discounted Price before Rounding		\$0.20495
Discounted Price Rounded to Four (4) Decimal Places		\$0.2050
Discounted Price Rounded to Two (2) Decimal Places		\$0.21

For price-controlled packaged products sold in bulk or dispenser containers and priced on a per-quart basis, the milk dealer shall discount the per-quart price to four (4) decimal places before multiplying by the number of quarts in the container to arrive at the price for that container and then round to two (2) decimal places as above before multiplying by the number of bulk containers bid or invoiced.

This bulletin applies to bids and invoices to state institutions using SAP accounting software only. Dealers shall check with the state institution that they are

bidding to or invoicing to verify whether or not they are using SAP accounting programs. For all other bids and billings, dealers shall continue to round to four (4) decimal places for each line item after applying discounts and before multiplying by the quantity of the price-controlled packaged product bid or invoiced.

This Bulletin replaces Bulletin Number 1326.

Please consult the Official General Order governing your milk marketing area for information about the available discounts.

PENNSYLVANIA MILK MARKETING BOARD

Keith Bierly, Secretary

IF YOU REQUIRE THIS INFORMATION IN AN ALTERNATE FORMAT, CALL
(717) 787-4194 OR 800-654-5984 (PA RELAY SERVICE FOR TDD USERS).