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**Approver:** David Hughes, Vice President - Tax  
**Contact:** RuthAnn Gonzalez, Manager Transactions  
Processing 414-221-2428; Lynn Fay, Manager  
Accounts Payable 920-433-2248

## Corporate Approval Policy

### Overview

This policy establishes the authority and accountability employees have to enter into or approve transactions that result in the commitment and distribution of company funds. Violation of this policy may result in corrective action, up to and including discharge.

### Contract Authorization for Sourcing Awards falling under the Corporate Procurement Policy (This does not refer to requisition or invoice approval.):

- Contracts less than \$500,000 may be approved and executed by Supply Chain employees, based on mutual consent with the business area or department originating the request and as defined in Supply Chain Policies and Procedures.
- New contracts with a value of \$500,000 up to \$10 million must be presented by Supply Chain to the officer or head of the business area or department originating the procurement request. That officer or head of the business area or department must approve the contract prior to its execution.
- Contracts with a value of \$10 million and above must be presented by the Supply Chain to the Chief Executive Officer (CEO) for approval after Supply Chain has obtained the approval of the officer or VP of the business area or department originating the procurement request. Refer to the [Supply Chain Approval Request Summary \(ARS\)](#). An authorized representative may grant approvals in the CEO's absence.

Per [Project Authorization Policy](#), projects and investments over \$15 million require Subsidiary Board approval and will be informational for the WEC Energy Group Finance Committee and/or WEC Energy Group Board of Directors. Projects over \$50 million require approval by the Subsidiary Board and WEC Energy Group Finance Committee and WEC Energy Group Board of Directors.

There are procurement activities specific to a business area, such as fuel purchases, that are sufficiently unique so as to warrant an exception for a specific category. These exception areas are listed in the [Corporate Procurement Policy](#).

### Consulting Engagements

A consulting engagement includes contracting with a third party who based on company scope guidance provides the company with an analysis on how to approach/complete an initiative. Contracting with a third party in which the company directs how the work is to be completed is not considered a consulting engagement. Contracting with a third party for amounts greater than \$100,000 and up to \$500,000 require approval by the President and CEO before a contract can be executed. Refer to the [Supply Chain Consulting Review Process](#) for additional information. Consulting contracts for \$500,000 and above are addressed in the [ARS](#).

### Requisition and Invoice Approvals

Requisitions, purchases, and disbursements must be approved in accordance with the requirements

contained in this policy. Approval levels are granted based on the legacy system configurations. For all requisitions the approval authority is granted through the HR master records.

### SAP Approval Authorization

Requisition: Standard mapping for SAP requisition authority is granted through the HR master record depending on an employee’s role within the company as listed below:

Approval Limit for Requisitions	Standard Mapping Definition
\$2,000	General
\$5,000	Engineers, Project Leads, etc.
\$20,000	Managers, Supervisors
\$50,000	AVP, Directors, General Managers, Power Generation Chief Engineers
\$150,000	VP, Power Generation Project Managers, Senior Counsel
Unlimited	Executives and Senior Officials

As a general rule, the above requisition approval limits are for SAP, but with limited exclusions, specific areas may have different requisition approval levels.

Purchase Order/Contract Related Invoices: Depending on job responsibilities, an employee may have the authority to approve invoices related to a purchase order or contract. There is no dollar limit on the approval because the requisition has already been approved per the Approval Limit for Requisitions chart above. The approval is validating that the scope of work has been completed or the product is delivered as expected.

Approvers authorized through the signature card process can approve invoices up to the full amount of the requisition.

Non-Purchase Order Related Invoices: Standard authorization limits have been established by the types of disbursement methods and categories of management levels. The appropriate individual and their approval level are documented utilizing signature cards. There are signature cards that are completed to approve cash disbursements, receipting authorizations and dollar driven approvals. The three categories below are all dollar driven approvals.

Disbursement Method	Management Employee	Manager/Director	Officer
Expense Bill	\$1,000	\$5,000	\$10,000
Request for Check	Requires approval by Manager level or above	\$3,000	\$1,000,000
Non-PO Invoices	\$1,000	\$2,000	\$1,000,000

If an employee believes that he/she needs an authorization limit that exceeds the established maximum amount, the employee must obtain the approval of an officer and then request an exception. The reason for the exception must be attached to the signature card. Authorization for an exception cannot be delegated to a surrogate.

### PeopleSoft Approval Authorization

Within PeopleSoft the authorized approval level defaults from the employees HR job code. Exceptions to the standard level can be granted based on business need. These exceptions are managed through the [Employee Approval Change Request Form](#) and require approval at the Senior

Officer level. For requisition, PO and Non-PO invoice approval the following chart shows the standard approval level assigned to the HR job classifications:

**PeopleSoft Approval Levels Table**

<b>Approval Limit for Requisitions/PO Invoices</b>	<b>Approval Limit for Non-PO Invoices/Payment Request</b>	<b>Standard Mapping Definition</b>
\$0	\$0	Non Approvers
\$2,000	\$0	General
\$5,000	\$1,000	Engineers, Project Leads, etc.
\$20,000	\$1,000	Managers, Supervisors
\$50,000	\$1,000	AVP, Directors, General Managers, PG Chief Engineers
\$150,000	\$5,000	VP, PG Project Managers, Senior Council
\$250,000	\$10,000	PG Asset Manager/General Manager
\$500,000	\$150,000	PG and Legal Director
\$1,000,000	\$1,000,000	Senior Executive Officer, Senior VP, Controller
\$5,000,000	\$5,000,000	Senior Executive Officer, President, or Designee
Unlimited	\$999,999,999	CEO, Board of Directors

There are procurement/payable activities that are sufficiently unique so as to warrant an exception to the standard. These exceptions are authorized under Corporate Approval Exemptions. A list of exceptions and individual approvers can be found on the PowerNet under the document called [Corporate Exemption Detail](#). A list of Authorized Approvers within PeopleSoft Accounts Payable/Supply Chain system is available on the PowerNet under Approver Names and Levels.

### **Exceptions to the Authorized Level**

Procurement and payable activities specific to a business area that are sufficiently unique to warrant an exception are listed in the [Corporate Procurement Policy](#).

### **Annual Budget**

Approval of the annual budget does not preclude employees from the approval process. The inclusion of an expense in the detail that comprises the annual budget does not mean that it has been approved for execution. Discrete expenditures are approved individually. Some expenditures might be approved prior to setting the annual budgets; however, most expenditures will go through the approval process during the budget year.

It is important for each business area to recognize the impact of the approval of individual expenditures on their current and future annual budgets. Approval of individual expenditures by the approver in no way be construed as permission to exceed the business areas, department's, or non-utility entity's annual capital or O&M budgets. Ultimately, business units and departments are responsible for actual results relative to their aggregate annual budgets.

### **Changes in Approval Level**

To request a change to an employee's approval level:

- SAP: Complete a new signature card and obtain proper approvals from management.
- PeopleSoft: [Employee Approval Change Request Form](#) must be completed, approved by the employee's Senior Officer and submitted to the Approval Policy Administrator for processing. Changes for employees on temporary assignment are not allowed.

## **Delegation of Authority**

Employees are not allowed to delegate their approval authority downward, with the exception of the CEO. Temporary or back-up approval authority may be obtained by seeking an alternate approver within the same or higher approval level. Delegating approval authority does not relieve the employee from being accountable for those approvals.

## **Related Resources**

[WEC Energy Group Code of Business Conduct](#)

[Corporate Procurement Policy](#)

Signature Card – Cash Disbursement Authorization (SAP only)

[Employee Approval Change Request Form](#) (PeopleSoft only)

[Project Authorization Policy](#)

[Supply Chain Approval Request Summary \(ARS\)](#)

[Corporate Exemption Detail](#) (PeopleSoft only)

[Supply Chain Consulting Review Process](#)