

THE PRESIDIO TRUST
APPROVAL PROCESS FOR BUDGET ADJUSTMENTS

Operating Projects and Overhead

The Board of Directors must approve in advance, by resolution, increases to the total amount of funds budgeted for the combined total of operating projects, overhead and contingency. The Executive Director may make adjustments within and between these categories of expenditures.

Capital Projects

Approval of the Five-Year Capital Plan (“Plan”) by the Board of Directors constitutes budgetary authority for the staff to expend project funds up to the completion of construction documents for each of the capital projects identified in the Plan. For projects of less than \$1 million, staff may expend the full project budget without further approval by the Board of Directors, so long as the total estimated cost for that project remains within the budget identified in the Plan (as modified by the Board of Directors), and, for revenue generating projects, so long as the revenue forecast has not deteriorated. For projects of \$1 million or more, staff will return to the Board of Directors for approval of the 100% construction documents (working drawings) cost estimate before placing the project out to bid or letting a construction contract. A new five-year plan will be presented as part of the annual budget approval process each fiscal year.

Staff will report quarterly to the Finance and Audit Committee on costs incurred for projects to date on the Plan. Changes in budgets for the Plan will be accomplished using the following methodology:

The Executive Director may approve transfers among projects within the overall capital projects budget provided that no such transfer, whether individually or in the aggregate, would result in an increase of more than \$250,000 to an individual project budget as approved by the Board of Directors. The Chairperson of the Board may approve transfers among projects within the overall capital projects budget provided that no such transfer, whether individually or in the aggregate, would result in an increase of more than \$500,000 to an individual project budget as approved by the Board of Directors. Transfers that would result in an increase to an individual project budget in excess of \$500,000 must be approved by the Board of Directors in advance, by resolution.

The Executive Director may approve expenditures on new projects provided that such projects do not exceed \$250,000. The Chairperson of the Board may approve expenditures on new projects provided that such projects do not exceed \$500,000. Expenditures on new projects that are in excess of \$500,000 must be approved by the Board of Directors, in advance, by resolution.

The budget for completed projects shall be eliminated from the approved budget at the time the project is closed out. Completed and closed projects shall be reported to the Finance and Audit Committee at its next regular meeting.

Expenditure of Contingency Funds

The Executive Director is authorized to make expenditures of contingency funds provided that no individual expenditure exceeds \$250,000. The Chairperson of the Board may authorize the expenditure of contingency funds provided that no individual expenditure exceeds \$500,000.

Reporting

All approvals made by the Executive Director or the Chairperson of the Board as provided hereunder shall be in writing. All budget adjustments shall be reported quarterly to the Finance and Audit Committee and the Board of Directors.