

THE PRESIDIO TRUST
BUDGET POLICY

Purpose. This Budget Policy (“Budget Policy” or “Policy”) establishes an efficient and effective way to set and adjust the budget for the Presidio Trust (“Trust”). This Policy applies to the annual operating budget and the multi-year replacement, capital improvement, technology and operational improvement investments budget. This Policy shall be effective immediately upon approval by the Board of Directors (“Board”) and shall supersede all prior Board budget policies.

1. **Authority.** The Chief Executive Officer has the authority to carry out all the functions, powers and duties related to the development of budgets and the expenditure of funds in accordance with Board-approved budgets except as stated below. The Chief Executive Officer may delegate their authority further in accordance with a written procedure approved by the Chief Executive Officer.
2. **Key Principles.** The Trust’s procedure for budgeting shall follow these principles considered essential for sound financial management.
 - 2.1. Financial self-sufficiency – the Trust shall keep its revenue and operating expenses in line and invest any excess revenue in improving the park’s capital assets, infrastructure and/or operations. At times, the Trust may elect to make investments in the organization that exceed revenue if funding is available.
 - 2.2. Alignment with strategy – the Trust shall earn its revenues and expend resources consistent with the Trust strategic plan.
 - 2.3. Flexibility – the Trust shall make informed decisions based on best practices for particular circumstances rather than rigidly adhering to standard procedures.
 - 2.4. Efficiency – The Trust shall use simple processes that achieve desired results without undue process or waste of resources.
 - 2.5. Advanced planning – Because replacement, capital improvement, technology & operational improvement projects typically take more than one year to develop, design, and implement, with estimates of timing and costs being updated as the project progresses, the Trust shall have the flexibility to budget for such projects over multiple years.
 - 2.6. Public trust – The Trust shall ensure the public’s trust by maintaining a publicly available annual budget that adheres to applicable federal budgetary rules.
3. **Annual Operating Budget.** Each year the Chief Executive Officer shall prepare an annual operating budget (“Operating Budget”) for review and approval by the Board prior to the start of the federal fiscal year (“fiscal year”). The Operating Budget shall present the revenue and operating expenses anticipated for the fiscal year.
 - 3.1. Approval of the Operating Budget by the Board constitutes budgetary authority for the Chief Executive Officer to expend funds and procure required goods and services on operating expenses for the fiscal year within the limits set out in the [Procurement](#)

[Policy.](#)

- 3.2. During the fiscal year, the Chief Executive Officer may make adjustments among categories of operating expenses so long as the total for operating expenses does not exceed the total amount of operating funds approved by the Board for that fiscal year, plus any obligated but unspent operating funds carried over from the prior fiscal year.
- 3.3. The Chief Executive Officer may also transfer funds from the Operating Budget to the Investments Budget within the limit on increases to individual project budgets stated in Section 4.2.
4. **Investments Budget.** Each year the Chief Executive Officer shall prepare a multi-year Investments Budget for review and approval by the Board prior to the start of the fiscal year. The Investments Budget shall identify each replacement, capital improvement, technology and operational improvement project greater than \$5,000,000 on which the Trust expects to expend funds in the next five years, the estimated cost of the project, and the years in which those costs are anticipated to be incurred.
 - 4.1. Approval of the Investments Budget by the Board constitutes budgetary authority for the Chief Executive Officer to expend funds and procure required goods and services for the projects within the limits set out in the [Procurement Policy](#).
 - 4.2. The Chief Executive Officer may increase funding for a project so long as the increase is less than 10% or \$500,000 (whichever is greater) of the approved budget for the project, and so long as the increase does not exceed the total amount authorized by the Board for combined operating and investments spending in that fiscal year. All project increases approved by the Chief Executive Officer shall be reported to the Board at the next regularly scheduled meeting.
 - 4.3. The Chief Executive Officer may change the timing of project expenditures from one year to another, or add new projects, so long so the timing of the change/new project does not cause spending to exceed the total amount authorized by the Board for combined operating and investments spending in that fiscal year.
 - 4.4. The Board must approve any transfers of funds from the Investments Budget to the Operating Budget.
 - 4.5. No expenditure of funds may be made for construction activity unless the project is in compliance with all applicable laws and regulations, including, but not limited to, the National Historic Preservation Act and National Environmental Policy Act requirements.
5. **Reserves.** The Trust shall budget for financial reserves in accordance with the [Financial Reserves Policy](#).
6. **Financial Reports.** Staff will report to the Board quarterly on the financial performance of the Trust, comparing actual revenue and expenses to the Operating and Investments Budgets.
7. **Implementation.** Management shall develop procedures to implement this policy.

Approved: March 28, 2024