

Contingency Funds, Project Level

Scope

This reference document covers the control and distribution of contingency funds. Contingency funds are ~~program or~~ project funds that have been set-aside, or reserved, to cover ~~program or~~ project uncertainties, or may be generated during project execution when activity costs are less than anticipated. ~~GENERALLY, T~~he greater the risk in a ~~program or~~ project, the greater the contingency funding. The process only covers the ~~program-project~~ part of contingencies. ~~Program level contingencies will be covered in each Program-Specific Reference document.~~

Policy

AR 415-15

Distribution

~~Program Manager (PgM)~~

Project Manager (PM)

Project Delivery Team (PDT)

Ownership

The ~~BP/P2 Program Office~~Configuration Management Board is responsible for ensuring that this document is necessary and that it reflects actual practice.

Roles and Responsibilities.

~~Program-Project~~ managers ~~or their representative(s) are is~~ responsible for tracking contingency funds and approving their distribution within projects ~~or programs~~. ~~Program-Project~~ managers must certify that USACE-approved, customer contingency funding criteria have been met before authorizing use of such funds.

The ~~Program-Project~~ Manager (PgM) will:

- Control release of contingency funds.
- Delegate approval and certification of contingency funds to a designated representative.

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Rev 2

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~~The Program Manager may delegate approval and certification of contingency funds to a designated representative (usually the PM). However, the Program Manager:~~

- ~~Must make such delegations by name.~~
- ~~May designate no more than one representative per project.~~
- ~~May change representatives at any time during the life of a project.~~

~~The Program Manager's appointment cannot be further delegated. A single individual may be delegated contingency fund authorization for multiple projects.~~

~~Contingencies~~ Contingency funds may be stored in a separate work item if desired.

- Distribute the contingency funds.

Contingency funds shall not be distributed to a specific ~~program or project or~~ activity by anyone other than the ~~responsible program manager or his/her~~ designated representative.

Distribution can be made to a specific activity only after established ~~program/project~~ specific requirements have been met, certified and approved by the ~~program~~ Project Manager or designated representative.

The Project Delivery Team (PDT) will:

~~Budget for studies, designs and construction will be developed by the PDT and include a contingency amount commensurate with the level of risk.~~

The Project Manager (PM) will:

Return remaining contingency funds to the customer upon project completion

Once a project plan has been approved, the remaining contingency funding level is calculated as total available funding minus the current working estimate to complete that program or project.

Within P2, once a project plan has been approved, the ~~current working estimate (CWE)~~ project cost estimate for the project is defined as the sum of all actual resource/contract costs plus the sum of all estimated (remaining) resource/contract costs assigned to tasks and activities of the project plan.

The Project Delivery Team (PDT) will:

Budget for studies, designs and construction include a contingency amount commensurate with the level of risk or based on applicable policies.

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