

Contingency Funds, Project Level Contingency funds are managed differently for the various programs. Seldom are contingency funds allocated by positions with specific delegations. These two facts are not clearly stated in this process, therefore the process is very confusing. The whole process must be restated taking these 2 facts into account. Response: This document is being reworded. This is now a document for project-level funds only; appropriate program level contingencies are addressed in the program-specific reference documents.

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, the greater the risk in a program or project, the greater the contingency funding. **I do not believe that this is generally true. It is generally true that there is a greater need for contingency funding for programs and projects that have greater risks, but generally the contingency funding is the same for all projects in a particular program.** Response: [Reworded. See master document](#)

The process only covers the program part of contingencies. Program level contingencies will be covered in each Program-Specific Reference document. **Are we still assigning contingency funds to each project or does the MSC maintain a pot of money for each appropriation? What do we do (Process) if there aren't enough contingency funds?** Response: [Reworded. See master document, contingency funds assigned to project.](#)

Distribution

Program Manager (PgM)
Project Delivery Team (PDT)

Ownership

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

Roles and Responsibilities.

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

The Program Manager (PgM) will:

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

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. **This makes no sense for the construction phase. What happened to the empowered team concept. Recommend that resident engineers be delegated a part of the contingency for contract changes. Response: Reworded. See master document.**

A single individual may be delegated contingency fund authorization for multiple projects. Contingencies 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 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. **This appears in error. Contingency amounts are generally set by program Policies/ practices, irrespective of specific project risks. Response: Reworded. See master document.**

The Project Manager (PM) will:

Return remaining contingency funds to the customer upon project completion **This is erroneous for RPMA work. Unobligated contingency funds for RPMA work must be returned to customers well before end of FY so that the customer can obligate them elsewhere. They generally don't cross fiscal years. Response: Goes in Military program-specific document**

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) 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 definition of CWE here is confused/ in error. Response: Reworded. See master document.

