

# Contingency Funds, Project Level-**LRD-Is this what we want in Project level contingencies Response: Reworded See master Document**

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## 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. The process only covers the **project Response: Accepted** part of contingencies. Program level contingencies will be covered in each Program-Specific Reference document.

## 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 **what is this...Response: BP Team will review and respond, will add to glossary** 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. 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.

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) 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.