Contingency allowance

The **Contingency Allowance** is a percentage added to your total projected expenses to cover **unforeseen or unexpected costs**.

It provides a financial buffer in your maintenance plan, helping you stay on budget even when actual costs are higher than estimated.

How it works

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Once all tasks and costs are calculated, the contingency allowance applies as a percentage **on top of the total**.

For example:

- Total planned cost: **$100,000**
- Contingency allowance: **5%**
- Total with contingency: **$105,000**

This additional amount does not correspond to a specific task — it represents a reserve to handle unplanned events such as:

- Emergency repairs
- Unexpected price increases
- Delays or variations in project scope
- Unforeseen maintenance requirements

Adjusting the allowance

You can update the contingency percentage at any time to reflect your organisation’s risk tolerance or financial strategy.

- **A lower percentage (e.g. 2–5%)** may be appropriate for stable, predictable portfolios.
- **A higher percentage (e.g. 10–15%)** may suit older buildings, complex assets, or environments with high uncertainty.

Updating the contingency allowance automatically recalculates your overall projected cost to include the revised buffer.

Summary

- The contingency allowance is a **risk buffer** added to total expenses.
- It helps ensure your budget remains **resilient to unforeseen costs**.
- You can adjust the percentage to match your level of financial caution or project complexity.

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