

Estimating Contingencies

“The estimate for a fund may include an estimate for general operating contingencies”. 294.388(7)

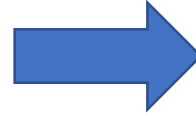
An operating contingency is for expenditures in “operating funds” that “cannot be foreseen and planned in the budget” and should be based on prior history or risk analysis. OAR 150-294-0430

There is no limit on how much can be budgeted as contingency.

No Contingencies in Debt Service Funds!

How to Transfer Contingency [\(ORS 294.463\(2\)\)](#)

LESS than 15% of original appropriations



ADOPT A RESOLUTION

Reduce the contingency amount and increase an existing expenditure category by an equal amount

MORE than 15% of original appropriations



ADOPT A SUPPLEMENTAL BUDGET

Reduce the contingency amount and increase an existing expenditure category by an equal amount

Remember – contingency calculations are made in aggregate, and appropriations are calculated using the original adopted budget. Your budget resolution is your guide!

Calculating the 15%

Budget Resolution Making Appropriations

GENERAL FUND

Administration	\$100,000
Fire Services	\$200,000
Transfers Out	\$50,000
Special Payments	\$25,000
Contingency	\$100,000
Total Appropriations	\$475,000

Total Unappropriated Ending Fund Balance - \$25,000

Total Budget - \$500,000

Use total appropriations from the adopted budget resolution to calculate the 15%.

In this example, you can transfer up to \$71,250 of contingency by resolution, anything over amount that will require a full supplemental budget process.