

# Construction Contracts: Allowance or Contingency?

While both relatively simple concepts, allowances and contingencies are often confused with one another. Conflating the two can lead to pitfalls, warn **Randolph E. Ruff** and **Jonathan M. Mraunac** of **Ogletree Deakins**.

“An easy way to remind oneself of the difference is: allowances are for *known* unknowns, and contingencies are for *unknown* unknowns,” they write.

In their article, they explain the differences between allowances and contingencies, how they are used, and how they can be drafted.

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