Developing a Project Charter

The project charter formally authorizes a project, addresses the business need for the project and describes the product and/or service to be created and/or provided by the project. The project charter summarizes the key aspects of the project and project's scope and identifies the project manager's responsibility and authority to apply organizational resources to project activities. The project charter is developed in the early phases of the project life cycle, often as part of the concept/initiating phase documenting the business need, project justification, customer requirements, the result that is intended, and at a high level, what is considered in scope and out of scope for the project.

Without a charter, management and the client are not formally obligated to consider requirements before project commitments are made. Not chartering a project increases the possibility of confusion, rework, change requests, scope creep, etc. To minimize these issues, the creation of a project charter is important.

A project sponsor, at a level that is appropriate to funding the project, usually issues and/or approves the project charter.

Projects are usually chartered and authorized as a result of one or more of the following:
- Market demand
- Business need
- Customer request
- Technological advance
- Legal requirement
- Social need

Benefits of creating a charter include:
- Giving authority to project teams to commence work with official documented approval
- Allowing senior management to set boundaries for the project scope
- Formalizing partnerships
- Ensuring understanding of what was agreed upon
- Helping project teams identify and plan for risks, increasing the chance of project success

- Serving as a project requirements reference guide

The process of developing a charter is primarily concerned with authorizing the project and documenting and tracking information required by decision makers to approve the project for funding. Chartering a project links it to the ongoing work of the organization and authorizes the project manager to apply organizational resources to project activities. In practice, the charter is drafted by the Project Champion, refined, and approved by leadership. Often, the Project Manager may create the charter which is then approved by the Project Champion.

A good project charter is not necessarily lengthy. The size of and time invested to develop a Project Charter should be balanced with the size and complexity of the project. Large, more complex projects justify a significant effort in developing comprehensive charters.

The project charter, either directly, or by reference to other documents, should address the following:

- **Project and Product Overview** – Provides enough information so that an executive reading only this portion of the project charter would have a high-level understanding of the project. Typically, this description answers who, what, when, and where in a concise manner.
  - **Business Need:** Describes the business problem that needs to be solved and the benefits the proposed solution will provide.
  - **Public Health and/or Business Impact:** Summarizes expected short-term and long-term public health results the project will generate.
  - **Strategic Alignment:** Summarizes the project's alignment with organizational goals.

- Scope
  o **Objectives:** Summarizes what the project is intended to achieve, in business and technical terms.
  o **High-Level Requirements:** Summarizes the functions that must be in place when the project is complete. These should be high-level requirements, not detailed requirements that are captured later in the Planning Phase. Upon approval of the Project Charter, these requirements will be refined in the Planning Phase of the project and serve as input to the scope statement.
  o **Major Deliverables:** Summarizes the list of major deliverables that the project will complete.
  o **Boundaries:** Summarizes inclusive and exclusive boundaries of the project, specifically addressing items that are both in scope and out of scope.

- Project Organization
  o **Roles and Responsibilities:** Summarizes roles and responsibilities of the Business Sponsor, business and technical subject matter expert, security officer, project manager, and any other notable roles and/or responsibilities on the project.
  o **Stakeholders:** Lists identified stakeholders, both internal and external to the project.

- Duration
  o **Timeline:** Summarizes project duration and a high-level timeline for the project.
  o **Executive Milestones:** Summarizes the executive milestones of the projects.

- Budget Estimate
  o **Funding Source:** Summarizes funding sources and outlines how funding will be received.
  o **Estimate:** Summarizes the estimated budget for the project. Including an outline of the degree of accuracy and confidence of the project's budget.

- **High-Level Alternatives Analysis:** Summarizes alternative solutions considered during the analysis of the project. Identify the preferred solution taking into consideration factors such as cost, approach, feasibility, advantages, disadvantages, risks, etc.

- Assumptions, Constraints, and Risks
  o **Assumptions:** Summarizes assumptions made during when developing the Charter, including compliance processes needing consideration.
  o **Constraints:** Summarizes relevant constraints to be considered prior to project initiation.
  o **Risks:** Summarizes high-level risks and possible mitigation strategies.

- Project Organization
  o **Roles and Responsibilities:** Summarizes the roles and responsibilities of the project sponsor, business steward, technical steward, security steward, government monitor, project manager, and any other notable project roles.
  o **Stakeholders:** Summarizes the list of identified stakeholders, both internal and external to the project.

- **Approval:** Obtains the signature(s) of the necessary project stewards with approval authority.

When creating the Project Charter, involve the customer. Doing so allows for open communication, documentation of requirements, expectations, and commitments. The customer is provided an opportunity to confirm requirements and identify their priorities.

For more information and tools related to project charter development, the CDC Unified Process, please visit the CDC UP website at http://www.cdc.gov/cdcup/. ▌

Project Management Community of Practice

- *August 28* – Managing Teams Across Generations
- *September 25* – More on Records Management
- *October 30* – Stage Gate Reviews – EPLC Lessons
- *December 4* – Authority, Power, & Influence

For more information on the Project Management Community of Practice visit the PMCoP website at http://www2.cdc.gov/cdcup/library/pmcop/

Contact the CDC Unified Process Team

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