

Document Purpose

The purpose of this document is to provide guidance on the practice of developing a **Project Charter** and to describe the practice overview, requirements, best practices, activities, and key terms related to these requirements. In addition, templates relevant to this practice are provided at the end of this guide.

Practice Overview

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. Creating a project charter is a mutually beneficial process that obtains commitment from all affected groups and individuals within a specific project. The purpose of chartering a project is to document 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.

The initial project charter describes the project at a specific point in time. Every component of the project charter describes characteristics that may, and probably will, change during the life of the project. As the project environment changes updates in the form of appended change requests, or updates to supporting documentation such as the project management plan, should reflect these changes. Some areas of the initial charter, such as risk, will be expanded upon as the project progresses into the planning phase.

However, without a charter, management and the client are not formally obligated to consider requirements before project commitments are made. Not chartering a project has the greater possibility of confusion, rework, change requests, scope creep, etc. For this reason, 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

Developing the Project Charter

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.



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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** – Summarize the project and its associated product. This section should provide enough information that an executive reading only this portion of the project charter would have a high-level understanding of the project. Typically, this description should answer who, what, when and where in a concise manner. It should also state the estimated project duration and budget.
 - **Business Need** – Summarize the business need for the project. Describe the business problem that needs to be solved and the benefits the proposed solution will provide.
 - **Public Health and/or Business Impact** – Summarize the expected short-term and long-term results the project will generate, such as changes in x infections, morbidity, and/or mortality rates.
 - **Strategic Alignment** – Summarize how the project aligns with organizational goals (CDC, NC, Division and/or Branch, Agency, Department and President's Management Agenda (PMA), etc.).
- **Scope**
 - **Objectives** – Summarize what the project is intended to achieve, in business and technical terms. This section describes the expected results of the project, accomplishments, outcomes and/or products.
 - **High-Level Requirements** – Summarize the functions that must be in place when the project is complete. These should be high-level requirements and do not constitute the detailed requirements that are captured in the Planning Phase of the project. Upon approval of the Project Charter, these requirements will be refined in the Planning Phase of the project and will serve as an input to the scope statement in the Project Management Plan.
 - **Major Deliverables** – Summarize the list of major deliverables that will be completed by the end of the project.
 - **Boundaries** – Summarize the inclusive and exclusive boundaries of the project, specifically addressing items that are both in scope and out of scope.
- **Project Organization**
 - **Roles and Responsibilities** – Summarize the 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.
 - **Stakeholders** – Summarize the list of identified stakeholders, both internal and external to the project.
- **Duration**
 - **Timeline** – Summarizes project duration and a high-level timeline for the project. If applicable, also state the expected life of the product.
 - **Executive Milestones** – Summarize the executive milestones of the projects. Executive milestones are key performance indicators of significant accomplishments or events in the project, such as the release of the product, presentation at a conference, or item that a project sponsor or stakeholder would like tracked.
- **Budget Estimate**
 - **Funding Source** – Summarize the source of funding for the project and outline how funding will be received.
 - **Estimate** – Summarize the estimated budget for the project. If applicable, include the costs associated with compliance related processes such as CPIC. Also include an outline of the degree of accuracy and confidence of the project's budget. In the appendix of the Project Charter include an attachment summarizing the projects expected spending. For CPIC



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- major/tactical projects complete and attach the required sections of the OMB Exhibit 300 located at <http://intranet.cdc.gov/cpic/>.
- **High-Level Alternatives Analysis** – Summarize alternative solutions considered during the analysis of the project. Take into consideration factors such as: approach, feasibility, high-level cost estimate, advantages, disadvantages, risks, skill needs, hardware, software, technical resources, environment, migration requirements, and licensing. Identify the alternative chosen and provide benefits and reasons for the choice.
 - **Assumptions, Constraints, and Risks**
 - **Assumptions** – Summarize the assumptions that were taken into consideration in the development of the Project Charter. Also summarize the compliance related processes that the project will follow and the specific documents in which further detail about the processes will be provided. An assumption is something taken for granted or accepted as true without proof. This section should list the project assumptions that the project sponsor should be aware of before making a decision on funding the project.
 - **Constraints** – Summarize the constraints that must be taken into consideration prior to the initiation of the project. A constraint is an applicable restriction or limitation, either internal or external to the project that will affect the performance of the project. This section should list the project constraints that the project sponsor should be aware of before making a decision on funding the project.
 - **Risks** – Summarize the high-level risks associated with the project and possible mitigation strategies. A risk is defined as an uncertain event or condition that, if it occurs, has a positive or negative affect on a project's objectives. This section should list the risks that the project sponsor should be aware of before making a decision on funding the project, including risks of not funding the project. In the appendix of the Project Charter include an attachment summarizing any identified project risks.
 - **Project Organization**
 - **Roles and Responsibilities** – Summarize the roles and responsibilities of the project sponsor, business steward, technical steward, security steward, government monitor, project manager, and any other notable roles and/or responsibilities on the project.
 - **Stakeholders** – Summarize the list of identified stakeholders, both internal and external to the project. A stakeholder is a person or organization that is actively involved in the project and/or that could, positively or negatively, impact the achievement of the project objectives, and/or whose interest may be positively or negatively affected by the execution or completion of the project. This section should list the stakeholders that the project sponsor should be aware of before making a decision on funding the project.
 - **Approval** – Obtain the signature(s) of the necessary project stewards outlined above.

Best Practices

The following best practices are recommended for **Project Charter** development:

- **Assign a PM** – A project manager should be identified and assigned as early in the project as feasibly possible. The project manager should always be assigned prior to the start of planning, and preferably while the project charter is being developed.
- **Collaborate** – Try developing the Project Charter with the customer. This allows for open communication and easier documentation of requirements, expectations, and commitments.
- **Customer Requirements** – Confirm customer requirements and their priority.
- **Document Constraints** – When the customer mentions related projects, have them elaborate and share details. Document any assumptions and/or constraints they share.
- **Scope** – Documenting what is out of scope is just as important as documenting what is in scope.
- **Read It** – Make sure that the Project Charter is read. Share it with those impacted by, or contributing to, the project.
- **Make Updates** – As the project environment changes, updates in the form of appended change requests should reflect these changes.

Practice Activities

For software development projects the following practice activities are appropriate:

- **Identify** – Identify and agree upon project requirements and deliverables
- **Complete** – Complete Project Charter
- **Approval** – Obtain approval/sign-off of Project Charter

Practice Attributes

This section provides a list of practice attributes to help project teams determine when and how development of a **Project Charter** impacts a project.

Practice Owner	CDC UP Project Office – NCPHI
Criteria	All projects regardless of type or size should have some type of authorization document chartering project activities.
Estimated Level of Effort	Moderate
Prerequisites	N/A
Practice Dependencies	N/A
Practice Timing in Project Life Cycle	Developing a Project Charter is an activity that takes place at the very beginning of the project life cycle.
Templates/Tools	• Project Charter Template • Project Charter Template Lite • Project Charter Checklist
Additional Information	N/A

Key Terms

Follow the link below to for definitions of project management terms and acronyms used in this document.
<http://www2.cdc.gov/cdcup/library/other/help.htm>

Related Templates/Tools

Below is a list of template(s) related to this practice. Follow the link below to download the document(s).
<http://www2.cdc.gov/cdcup/library/matrix/default.htm>

- Project Charter Template
- Project Charter Template Lite
- Project Charter Checklist