

Project Charter – An unnecessary Project document, or maybe **not**?

Author: Photoula Markou-Voskou

Photoula obtained a BSc from Fairfield University, Connecticut, in Accounting with a minor in Information Systems. Upon her graduation, she joined the banking industry where she undertook challenging positions in Treasury, International Operations and Organization where she has managed numerous technical and procedural projects, among which setting-up the Project Management Office (PMO).

A wife and mother of three, she went on to become an Associate of the Chartered Institute of Bankers (ACIB) and a Project Manager Professional (PMP).

As a volunteer, she was an elected President of the Nicosia Nautical Club and a member of the Board of the Cyprus Swimming Federation for 8 years.

According to the Project Management Book of Knowledge (PMBOK) a Project Charter “*is a document issued by the project initiator or sponsor that formally authorizes the existence of a project and provides the project manager with the authority to apply organizational resources to project activities*”.

A nice statement but one might question its necessity. Is it really all that necessary or is it just another bureaucratic requirement adding unnecessary effort on the project Manager? The answer is a straightforward, unconditional “**YES, it is an essential project document**”.

No matter how small or large, simple or complex a project might be, a project Charter must always be approved by the Sponsor right at the initiation of a project. It is the document that **authorizes** the project manager to allocate organizational resources for a specific **purpose**. At the same time, the Sponsor by approving it, he/she gets in the process of understanding / acknowledging its contents.

There are numerous of project charter templates in the internet applicable to various industries and products. In this article we will comment on (a) the issuer of the document and (b) its size in terms of content (level of detail included), which in my opinion can apply to the majority of small-medium size projects.

The issuer of a project Charter

In real life, especially in environments with low project management maturity level, the PMI definition of a project Charter might be mistaken as a formal procedure directive rather than a guideline in terms of WHO issues a project charter. It is a common practice for the project Charter

not to be *issued* by the project Sponsor. Usually, a project Sponsor is at a higher management level in an organization and he/she won't initiate the process of issuing a project Charter. Therefore, someone else needs to do this and submit it to the Sponsor for approval. This someone is usually the Project Manager.

The size/content of a project Charter

The size of a project Charter is usually limited to 1-2 pages long. Anything in excess usually provides details which are most probably not known at the time of the initiation and should usually be included a Project Definition Document (PDD), an output at the planning phase. A project Charter usually contains the following:

- ✓ The approver or the charter: Project Sponsor and Steering Committee (if one exists)
- ✓ Purpose / Justification: Why is the project undertaken? What need will it address?
- ✓ Project Scope: what the project will do as well as what the project will NOT do. Both are equally important.
- ✓ High level Deliverables / Milestones.
- ✓ Assumptions, Constraints and Risks.
- ✓ Duration (optional): At the stage of initiation, duration is usually specified only if it is a constraint (e.g. legal requirement).
- ✓ Budget estimate (optional) unless the project is initiated based on an approved business case.