

Like the project proposal, the project charter is of great significance for the success of projects. The project charter is also called a project overview statement, and a project definition. The project charter is essentially a summary project outline. It includes an initial plan of the project goals and scope, indicates the vital stakeholders, and describes their function and responsibilities. The project charter is a recognized document, which is signed by the stakeholders regarding the project details.

Significance Of Project Charter

Efficient communications in projects is vital for their success, and one of the major reasons for project failure is lack of proper internal and external communications. Stakeholders in projects are from diverse environments, with varying education, experience, skills, and financial roles. The project charter documents the goals, scope, deliverable, and methodology that have been agreed by the project stakeholders. It functions as a reference document during the project life cycle. In short, it assists to make sure that the stakeholders exist on same page, and reduces the development and effects of misunderstanding, confusion, and conflicts.

Important Elements Of a Project Charter

The project charter contains a summary of the contents mentioned in project proposal. Though the project charter description will depend on the particular nature of each project, all project charters normally incorporate the following components:

- **Authorization of Project:** A brief statement that identifies the project name, code, and number.
- **Authorization of Project Manager:** Identifies the project manager, with their roles and responsibilities.
- **Main Stakeholders:** A directory of the key stakeholders, with a concise explanation of their function and responsibility.

- **Project Objectives:** The statement of objectives that are similar to those mentioned in the project proposal.
- **Priorities Of Project:** Details of project priorities concerning completion time, project cost, performance and quality characteristics of the deliverables.
- **Requirements of Product:** Expectations of the product performance.
- **Deliverables:** Details of the project deliverables, including reports, information, products, etc. These deliverables will be provided to the customer at the project close, and also during the project.
- **Success Criteria:** The criteria and measurements that will establish the project success are mentioned in the project charter.
- **Assumptions In The Project:** A brief description of the assumptions concerning the project, including resources availability, accuracy of data, and provision of funds for the completion of project within schedule.
- **Constraints In The Project:** These are the limits concerning the project that may influence the project plan, including schedule, cost, performance quality standards, etc.
- **Project Risks:** The likely risks which may affect the project execution, including the response plans for mitigation of risks.
- **Cost Estimates:** The cost estimates mentioned in the project proposal are indicated in the project charter.

- **Schedule:** The main milestones and schedule estimates, explained in the project proposal, are also mentioned in the project charter.

View a sample Project Charter [here](#) .