
[PROJECT NAME]

PROJECT CHARTER

Engineering & Construction Projects

Version 1.0

[DD Month YYYY]

Prepared by [Project Manager] • Project Sponsor [Name] • [Organization]

Confidential — the property of [Organization], for authorized recipients only.

About This Charter

A project charter is the document that formally authorizes a project and gives the project manager the authority to apply organizational resources to project activities. This charter records only the essential, high-level decisions — the purpose, objectives, scope, schedule, budget, roles, and key risks — and is approved by the project sponsor. Detailed plans, drawings, specifications, schedules, and registers are prepared separately during project planning.

How to use it: Replace every item shown in square brackets with your own information, complete each table, and delete the italic guidance notes once a section is written. The charter suits any engineering discipline — civil, structural, mechanical, electrical, chemical, and process — as well as building and infrastructure construction.

Tip: After editing, right-click the table of contents below and choose “Update Field” to refresh the page numbers.

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1. Document Control

This section keeps the charter uniquely identifiable and traceable. Complete it whenever the document is issued or revised.

1.1 Document Information

Document Identifier	[e.g., Project Charter — Project Name]
Project / Job Number	[Work breakdown or contract number]
Document Owner	[Name / Role]
Issue Date	[DD Month YYYY]
Last Revised	[DD Month YYYY]
Classification	[Confidential / Internal / Public]

1.2 Revision History

How to complete: Record each revision so reviewers can see what changed and when. Increase the version number for every issued update.

Version	Date	Description of Changes	Author
1.0	[DD Month YYYY]	Initial release	[Name]

2. Project Purpose & Business Case

How to complete: In one or two short paragraphs, explain why the project exists. State the problem, need, or opportunity, the consequence of not acting, and how the project supports the organization's goals. A clear purpose is the foundation for every later decision.

[Describe the business need or opportunity that justifies the project, and the value it is expected to deliver — for example increased capacity, regulatory compliance, improved safety, reduced operating cost, or extended asset life.]

3. Objectives & Success Criteria

List the project's objectives. Each objective should be **SMART** — Specific, Measurable, Achievable, Relevant, and Time-bound — so that success can be judged objectively at completion.

How to complete: Write three to seven objectives. Replace the examples below with your own, and quantify each one with a number, a target, and a date wherever possible.

- [Increase production or throughput capacity by a defined percentage by a target date.]
- [Deliver the completed asset within the approved capital budget.]
- [Achieve full compliance with all applicable codes, standards, and permits.]
- [Complete the work with zero lost-time safety incidents.]

3.1 Success Criteria and Key Performance Indicators

How to complete: Define how success will be measured and who will verify it. Each criterion should be objective and checkable at handover.

Success Criterion	Measure / Target	Verified By
Schedule	[Completed by the target date]	[Project schedule]
Budget	[At or below approved budget]	[Cost report]
Quality / compliance	[Zero major non-conformances]	[Quality records]
Safety	[Zero lost-time incidents]	[Safety log]

4. Project Scope

The scope defines the boundaries of the project — what it will deliver and, just as importantly, what it will not. A clear scope is the single most effective way to prevent uncontrolled growth of the work, known as scope creep.

4.1 In Scope

How to complete: List the main work the project will deliver. For engineering and construction projects this typically covers design, procurement, fabrication, installation, testing, and commissioning.

- [Detailed design and engineering of the facility or system.]
- [Supply, fabrication, and installation of equipment and materials.]
- [Civil, structural, mechanical, electrical, and instrumentation works, as applicable.]
- [Testing, commissioning, and handover documentation.]

4.2 Out of Scope

How to complete: State clearly what the project will not deliver. Naming exclusions is often more valuable than listing inclusions, because it prevents later disputes.

- [Work outside the defined site boundary or battery limits.]

- *[Items supplied by others or by the client.]*
- *[Ongoing operation, maintenance, or services after handover.]*

4.3 Key Deliverables

How to complete: List the main tangible outputs of the project, the basis on which each will be accepted, and the party responsible for producing it.

Deliverable	Acceptance Basis	Responsible

4.4 Technical Standards, Quality and Safety

How to complete: Reference the codes, standards, and specifications the work must follow, and note how quality and safety will be assured. This keeps the charter useful across every engineering discipline and on construction sites.

Applicable Codes & Standards	<i>[List the governing standards — for example ISO 9001, ASME, IEC, IEEE, ASTM, Eurocodes, ACI, or the local building code.]</i>
Quality Assurance Approach	<i>[State how quality will be verified — for example inspection and test plans, material certificates, and acceptance testing.]</i>
Health, Safety & Environment	<i>[Reference the safety standards, permits, and required studies, and name the party accountable for safety.]</i>

5. Milestones & Schedule

The milestones below are the high-level targets that anchor the detailed project schedule. Keep this list short; the full task-level schedule is maintained as a separate document.

How to complete: Enter each major milestone, a brief description, its target date, and its current status. Add or remove rows to match the project.

Milestone	Description	Target Date	Status
<i>Project authorized</i>	<i>Charter approved and funding released</i>	<i>[Date]</i>	<i>[]</i>
<i>Design complete</i>	<i>Engineering and drawings issued</i>	<i>[Date]</i>	<i>[]</i>
<i>Procurement complete</i>	<i>Contracts awarded; materials delivered</i>	<i>[Date]</i>	<i>[]</i>

Milestone	Description	Target Date	Status
Construction complete	Installation and fabrication finished	[Date]	[]
Commissioning complete	Testing passed; system accepted	[Date]	[]
Handover & closeout	Asset handed over; project closed	[Date]	[]

6. Budget Summary

This section records the approved budget at a high level, together with the source of funding. A detailed cost breakdown is maintained in the project cost plan.

How to complete: Enter the estimated cost by category and the funding source. Include a contingency line appropriate to the project's stage of estimate.

Cost Category	Estimated Cost	Funding Source / Notes
Engineering & design	[Amount]	[Source]
Equipment & materials	[Amount]	[Source]
Construction & installation	[Amount]	[Source]
Commissioning & start-up	[Amount]	[Source]
Contingency	[Amount]	[Percentage]
Total Estimated Budget	[Total]	

Estimate maturity: charter-stage budgets are usually order-of-magnitude figures. The Association for the Advancement of Cost Engineering (AACE International) classifies estimates from Class 5 (lowest definition, used for concept screening) to Class 1 (most definitive). Update this section and obtain renewed approval as the estimate is refined through later stages.

7. Project Governance Structure

Project governance defines who directs the project, who manages it, and how decisions and issues are escalated. The chart below shows the reporting line from the sponsoring body down to the delivery team. It accompanies the Project Charter and may be tailored to suit any engineering discipline or construction project.

This flow chart is built from editable text boxes. Click any box to change its wording, recolour it, or add and remove boxes to match your organization. The downward arrows show the reporting and escalation direction.



8. Roles & Responsibilities

This section names the people who direct and deliver the project and defines the authority of the project manager.

8.1 Key Roles

How to complete: Name the project sponsor, the project manager and their level of authority, and the main delivery roles. Clear authority limits prevent delays.

Role	Name	Responsibility / Authority
Project Sponsor	[Name]	<i>Owns the business case; approves the charter, budget, and changes.</i>
Project Manager	[Name]	<i>Plans and controls the work; authority up to [state spending and decision limits].</i>
Engineering Lead	[Name]	<i>Leads design across the relevant disciplines.</i>
Construction / Site Lead	[Name]	<i>Leads site execution, safety, and quality.</i>

8.2 Responsibility Assignment Matrix (RACI)

R = Responsible (does the work) • A = Accountable (owns the outcome, one per row) • C = Consulted • I = Informed.
 Replace the column roles with your own team and complete each cell.

Activity	Sponsor	Manager	Engineer	Contractor
Approve charter & funding	A	R	I	I
Define scope & objectives	A	R	C	I
Design & engineering	I	A	R	C
Procurement & contracts	A	R	C	C
Construction & installation	I	A	C	R
Quality & safety assurance	I	A	C	R
Testing & commissioning	I	A	C	R
Handover & closeout	A	R	C	C

8.3 Communication & Reporting

How to complete: Summarize how project information will be shared. Keep it brief; a detailed communication plan is prepared during planning.

Audience	Information	Frequency	Channel
Project Sponsor	Progress, risks, changes	Monthly	[Report]
Project Team	Actions, progress, issues	Weekly	[Meeting]
Contractors / Suppliers	Technical & commercial	Weekly	[Meeting]

9. Risks, Assumptions & Constraints

9.1 Key Risks

How to complete: List the main risks that could affect scope, schedule, cost, quality, or safety. Rate likelihood and impact as Low, Medium, or High, and assign a mitigation and an owner to each.

No.	Risk Description	Likelihood	Impact	Mitigation & Owner
1	[Describe a risk to the project]	[L/M/H]	[L/M/H]	[Mitigation — Owner]

9.2 Assumptions

How to complete: Record the conditions assumed to be true for planning. If an assumption proves false, it may require a change request.

- *[Site access and utilities are available from the project start date.]*
- *[Required permits and approvals are granted within the planned timeframe.]*

9.3 Constraints

How to complete: List the fixed limits the project must work within — for example deadlines, budget ceilings, regulatory windows, or site restrictions.

- *[A fixed completion date or shutdown window applies.]*
- *[The capital budget is capped at the approved amount.]*

10. Charter Authorization

By signing below, the project sponsor confirms that they have reviewed this charter, agree with its contents, and authorize the project to proceed within the scope, schedule, and budget defined herein. Once signed, any significant change to scope, schedule, or budget requires the sponsor's renewed approval.

Role	Name	Signature	Date
Project Sponsor	[Name]		
Prepared by — Project Manager	[Name]		

End of Project Charter — Open Project Guide • openprojectguide.com