

Guidelines for developing a terms of reference (TOR)

This is a document that describes the purpose and structure of a project. The “Terms of Reference” is created during the Initiation Phase of the Project Management Life Cycle. The TOR is created immediately after the approval of a project Business Case.

Creating a detailed TOR is critical to the success of the project, as it defines the project. It is a road map for the project. It gives the team a clear path for the progression of the project, by stating what needs to be achieved, by whom and when.

Use the headings set out below to develop your TOR:

1. Date
2. Project name (3-4 words)
3. Project hierarchy, who will take part in it (identify project stakeholders, sponsor, manager and project staffing)
4. Situation, vision (outline background to project and why it is being considered)
5. Project goal (brief description of what project will achieve and timeframe)
6. Outputs (how it will be achieved, resource, financial and quality plans, state work areas, streams of work, sub-projects etc that will fulfil project goal)
7. Deliverables (when it will be achieved, outline key approvals and deadlines for specific delivery, work breakdown structure and schedules frequency and final reporting requirements)
8. Parameters (time – major deadlines/completion time; cost – operational or capital funding requirements; quality – specification of key outputs/deliverables; scope – linkages and project boundaries)
9. Risks and critical assumptions (indicate risks to project implementation, outline assumptions that must be achieved for project to survive)
10. Impacts and benefits (outline impacts and benefits of successful implementation of project)
11. Signatures (Project sponsor and manager to confirm commitment)

It is recommended that you format the TOR in a table using the above headings. Use brief yet informative statements of factual information and use bullet points for best effect.

Contact a Nature Coast Enterprise Business Development Manager for more information (Ph 04 298 6611).

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