

# TIPS FOR WRITING AN ANNUAL REPORT

Publicly traded companies are required to produce an annual report, but most nonprofits are not. However, most nonprofit leaders recognize that an annual report can be a powerful tool. An annual report can help demonstrate accomplishments to current and future donors, cultivate new partnerships, and recognize important people.

The challenge for many nonprofits is what to include and what to leave out. The following tips are offered to help you craft an excellent annual report.

---

## FOCUS ON ACCOMPLISHMENTS, NOT ACTIVITIES.

What you did is important, but the reader wants to know why you did it. What outcomes did you achieve? What difference did it make? Do not assume that readers will be able to see how your activities related to meeting your mission. Spell it out for them.

---

## DON'T FOCUS ON ADMINISTRATIVE DETAILS.

Upgrades to your office equipment and software may be long-awaited relief for an organization's staff, but they don't have a compelling connection to your mission. Inspire with accomplishments related to your mission and leave the administrative details for a report to your board.

---

## DON'T OVER-EMPHASIZE FUNDRAISING ACCOMPLISHMENTS.

While it is appropriate to include information on successful fundraising efforts, keep it confined to the financial section of your report. Your readers expect you to raise money, but they are more interested in how that money helped you meet your mission than how you raised it.

---

## INCLUDE PHOTOS.

No matter how many hours you spend writing and editing text, many of the people who receive your annual report won't actually read it. Show them what you've been doing with photos. A compelling, well-placed photo may draw them into reading the accompanying text to learn more.

---

## WRITE CAPTIONS THAT TELL YOUR STORY.

Make sure - when those photos catch the reader's eye - that there is an accompanying caption to tell the story. More than a label, a caption should connect the photo to an accomplishment. If people read nothing but the captions, be sure they can still get a sense of the good work you did last year.



---

## INCLUDE PERSONAL PROFILES.

Real stories about real people have more impact than general summaries or amazing data. Briefly explain what you have accomplished overall, and then humanize your data with a few personal profiles. Show the ways in which your work helped a specific individual or family.

---

## EXPLAIN YOUR FINANCIALS.

Financial statements are boring and to the vast majority of your readers a table of numbers will mean little. Include a brief paragraph or two that will give the reader a snapshot of:

- Where does your money come from and how do you spend it?
- What are your main fundraising strategies?
- Did you implement any cost-savings measures this year?

---

## IF YOU NEED SPACE, TRIM THE DONOR LISTS

In an ideal world, we would be able to recognize all of our donors in our annual report. However, the number of pages in your report increases production costs. Create a balance between discussing accomplishments and recognizing donors. If space is an issue, recognize smaller donors in other ways, such as lists in newsletters or on your website.

---

## TRIPLE-CHECK YOUR DONOR LISTS.

Never guess. Getting a donor's name wrong could spell trouble for your chance of future donations. If a donor has provided substantial support to your organization, be sure you have their name spelled correctly and listed the way they'd like. Do some research online or check directly with the donor. The names of government agencies and foundations that gave you grants are also important to get right. Use full legal names rather than acronyms unless you have been told differently by the funder. Finally, while it may seem obvious, never, *ever* list a donor who wishes to remain anonymous.

---

## DON'T FORGET THE CALL TO ACTION.

You've done it! You have a beautiful annual report and have inspired current and potential donors with your accomplishments. Don't forget to include a call to action! Tell them how they can help you do more. Offer specific and clear examples of how can they support you with their money or time. Make the action step as simple as possible for the greatest response.

