



ANNUAL REPORTS FOR NON-PROFITS

Your Guide to Creating Effective Annual Reports that Connect with Donors and Raise More Money

LET'S REIMAGINE YOUR ANNUAL REPORT

Hi there!

As a non-profit professional, does producing the annual report feel like a tiresome chore? **“Who is actually going to read this anyway?”** you may think to yourself. **“It’s just a necessary evil and a boring recap of everything we’ve done this year.”**

We’re here to tell you that your annual report is only a necessary evil and a tiresome chore if you make it so. A well-written, donor-centric annual report is a powerful donor engagement and fundraising tool that can be used to support relationships, and build new ones, all year long. It tells stories, shows the effectiveness and impact of donor dollars and even offers a glimpse into future strategic plans to encourage donors to renew their support.

Long gone are the days of mammoth annual reports that readers just skim over. Here are the days of annual reports that readers can get excited about!

Traditional Yearbook Reports

- Run 30-60 pages in length
- Include a laundry list of every accomplishment of the past fiscal year
- Contain jargon, buzzwords, and too many statistics that mean nothing to the reader
- Publish full financials, including CPA audit letter
- Dedicate multiple pages to recognizing donors by name

Modern Impactful Reports

- Run 4-20 pages in length
- Showcase the impact you’ve made
- Infuse a human-centric and friendly voice
- Emphasize wise spending at a glance
- Make donors feel appreciated

I created this guide because I want you to have everything you need to get started right now on creating an annual report that leaves a lasting impact with your donors.

Happy writing!

Deborah Evans

Deborah Evans
Founder & Content Strategist



Forget the recap of activities, events and statistics — readers of your annual report want the answers to three important questions:

WHAT WERE THE RESULTS OF WHAT YOU DID?

WHY DID YOU SPEND YOUR TIME AND MONEY THE WAY YOU DID?

WHAT DIFFERENCE DID YOU MAKE?

THE FIVE KEY COMPONENTS OF YOUR ANNUAL REPORT

- 1. Tell stories from real people.** Storytelling is the most powerful tool at your disposal. It allows you to directly show the impact your organization has made on someone's life. And, it creates context to help donors better understand your mission, the real challenges you face and the real problems their donations solve.
- 2. List your accomplishments rather than your activities.** Simply recapping activities doesn't necessarily connect donors to your mission. Instead, explain what you *accomplished* with those activities. Donors want to know the difference you made, not what you did.
- 3. Show gratitude.** Say thank you. Then say thank you again. And again. Your annual report is an opportunity to show supporters how much you appreciate their kindness and generosity. The stories you tell, the photos you choose and the overall tone of your writing is what truly conveys gratitude — not just a list of names.
- 4. Explain your financials.** Your entire audited financial report means very little to most donors, as they don't understand financial statements and are not likely to take the time to draw out the meaning. Leave them out in favour of a graphic (such as a couple of pie charts) and a short narrative that explains how you raised the money and what you spent it on.

Pro tip: To share your full financials, upload them to your website. Then, include a line in the annual report directing supporters on how to download them.
- 5. Look to the future.** While an annual report is a look back at the past fiscal year, you'd be remiss if it didn't include a forward-looking vision. By showing donors your vision for the future, they'll see how you still need their support to make the future a reality. Use this opportunity to explain how the past year fits into your strategic plan, where you will go next and the goals you intend to accomplish in the coming fiscal year(s).

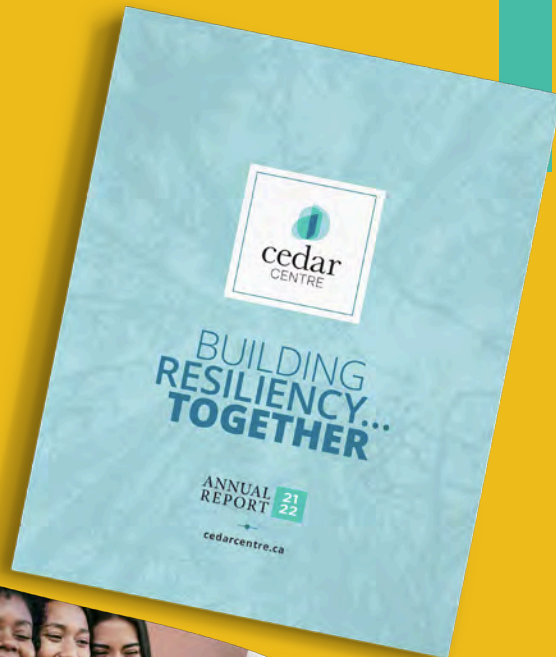


THE POWER OF HAVING A THEME

Taking the time to develop a theme dramatically transforms and strengthens your focus, and elevates your report to one that informs and inspires donors to continue supporting your organization for years to come.

Four benefits of setting an annual report theme

- 1. Highlights the significant milestones of the year.** Every fiscal year is different — you had different strategic goals and objectives, and faced different challenges. And every donor dollar helped. Choosing a theme allows you to make a bold statement around the significance of the past year, evoking an emotional response from readers.
- 2. Helps determine what to include...and more importantly, what to exclude.** There's often a desire to include every update from every department or program in the annual report. Having a strong theme makes it easier to decide what makes the cut.
- 3. Creates greater impact.** Telling stories shows the effect of donor dollars and the direct influence your organization has had on someone's life. When each story follows along the same theme, it is truly impactful.
- 4. Inspires design.** A theme influences more than just the strength of the language and tone — it also influences design choices, such as colours, graphic elements and photography (all within brand guidelines, of course). The power of design visually communicates your theme, tying everything together.



YOUR ANNUAL REPORT TIMELINE

“How long should it take to produce an annual report?”

While it can be done in a hurry, you probably don't want the stress of going down that road. To make the process as easy as possible, start planning a minimum of three months out. Since annual reports typically coincide with an organization's AGM, work backwards from that day to determine when to start. If your report is being printed, don't forget to check with your printer to determine their printing deadline for receiving final art.

90+ days out

Determine your budget, decide who will be writing and designing the report (do you need to hire external consultants?), brainstorm theme ideas, outline content and start reaching out to the internal and external contacts you may need to provide information to support storytelling. This could be a program manager who discusses the impact of a particular program or a person your organization supported who has agreed to share their story.

60 days out

Any interviews with internal or external contacts should be completed by now so that copywriting can begin. Begin selecting photos to accompany the storytelling. Since you have a clear content outline, the designer can begin creating cover concepts now.

Pro tip: If you've hired external suppliers, make sure your copywriter has your style guide and your designer has your brand guidelines.

45 days out

The cover concepts and draft copy should be ready for internal review. Begin compiling donor list information (if using), necessary financial data and any statistics you'd like to highlight.

35 days out

By now, the copy is final and a design concept has been selected. Start drafting the final layout. Make sure your designer has everything they need, including your chosen photos, financial data to create pie graphs, donor lists, contact information, charitable registration number, etc. Over the next three weeks, the design will be drafted, reviewed, revised and finalized.

15 days out

With design and copy completed, it's time to do a final proofread to dot the I's and cross the T's. Bring in someone who has not been involved with the process to date to do this important step; their fresh eyes will find the missing commas or typos that your eyes may glaze over.

10 days out

Final sign off! It's time to send the print-ready file to your printer.

Reminder note: Three months ago, you should have checked with your printer to confirm their print deadline. If 10 days isn't enough time for printing, readjust your timeline accordingly.

Pro tip: If your annual report is digital only, you've just bought yourself a few extra days in the schedule!

A few days out

Prepare for distribution. If you're releasing a digital copy, have your designer prepare the web-friendly version.



GETTING STARTED

The planning stages can be the hardest part. Here's a checklist to get you started.

- ✓ **Decide on who you need to support you.** Will this be an internally produced report or do you need to bring in external support? If it's an internally produced document, ensure that everyone involved knows their responsibilities and the timeline. Also, know who the final decision maker is.
- ✓ **Consider your audience.** Who will be reading this report? Who do you want to read this report? The secret to success is to focus on your audience and what they want to hear.
- ✓ **Choose a theme.** What objectives were set for the year? What objectives did you achieve this year? Was there a pattern to your results that can be transformed into a statement around impact?
- ✓ **Decide on the format.** If you're printing your annual report, you need to speak with your printer early to determine their printing deadline. If it's digital only, will it be a PDF or are you building a microsite?
- ✓ **Choose the best stories to inspire donors.** Good stories highlight the success of your organization. Can you think of a few stories that will captivate the audience?
- ✓ **Draft a content outline.** Outlining your content early ensures you've touched on all the components.
- ✓ **Determine whether you need a call to action and, if so, what it should be.** Not all annual reports need one, but if you feel yours does, make sure it is specific and direct.
- ✓ **Gather photos.** Determining early which photos best showcase impact makes your job easier later.

Pro tip: Less is more. A handful of really great photos can say more about the impact of your work than a dozen event photos.

- ✓ **Get started!** Now you're ready to start gathering information, interviewing sources, writing and designing. It's exciting to be producing an engaging report your audience will love.





Luminate Communications specializes in creating the content non-profit organizations need to better connect with donors and raise more money. We tell stories, connect audience to mission and compel action.

We also provide full-service production and design solutions for clients who wish to bring their words to life through stunning design.

See some of the impactful non-profit annual reports we've written and produced: visit LuminateCommunications.com/our-work

GET IN TOUCH!

