

A MARKETING TOOL

The annual report is one of your most important public documents. It represents your organization's identity. It is also one of your most effective marketing tools – for your membership, potential investors, and the community your organization serves. It tells people who you are, and what your organization is doing. It shows that your organization is accountable for its programs and finances. It is designed to make those who gave money proud they did, and make them want to give again.

The annual report is also a vital source of information when applying for grants and requesting contributions from major corporations and foundations. In fact, many government agencies, corporations and philanthropic organizations require an annual report when considering applications for assistance or contributions.

COMPONENTS AND FORMAT

Annual reports serve as an overview of your organization – its purpose, goals and major accomplishments. Special programs may be highlighted, and accentuated with statistical graphs and photographs. Financial information should be presented in a concise and easy-to-understand manner. Officers and key staff should be introduced, along with contact information for the organization.

The components and formats of annual reports vary widely, but they generally include the following sections:

Introduction: A general statement of your organization's mission or purpose serves as the foundation upon which the report is built. This informs the reader of the importance of

your work and is meant to invoke feelings of agreement and support.

Summary Report: This could be a letter from the chief executive officer, president of the board of directors, or other top-level officer or staff member. The most effective message will reflect on recent accomplishments as they relate to the organization's direction and goals. Using top management gives credibility to both the editorial and financial contents. It also underscores the importance of the publication.

Board Members, Staff, Donors: Name your board members and staff, include their titles and positions, and use photographs if your budget allows. Some reports include a brief biographical sketch of board members and officers. List donors in alphabetical order, preferably with no categories or amounts given. You may want to acknowledge your principal benefactors, but you don't want to alienate your rank-and-file supporters.

Program Description: This is the bulk of your report. Give a program-by-program description of your organization's work and progress for the previous year. Highlight your successes, and, to the extent they are resolved, report any problems encountered during the year. Keep the information interesting, but keep descriptions brief. Use subheads to introduce each activity and break up the copy. Readability is the key!

Plans for Upcoming Year: This is where you discuss how you will maintain and improve programs, and your plans for changes in direction or strategy. You may want to include supportive documentation that defends or justifies the leadership's decision-making.

Financial Information: Accurate financial data is crucial. This should include a statement of income and expenses, reported by category. If you have an audit, those are the figures you should use. If there are unusually high expenses, explain them in footnotes. Financial data can be presented in formats ranging from a simple pie chart to narratives and extensive graphs for each department. Simplicity works best.

Public Policy: Community-based organizations and their programs are directly impacted by public policy, and you need to be involved in shaping local strategies and action plans. Report on your involvement in helping shape public policy, meetings with legislators and government officials, and development of ordinances that enhance your organization's effectiveness. Members need to know you were behind the scenes advancing the issues.

■ **Integrity of Voice:** You want to put the organization's best foot forward, but avoid excluding important information – even if that points to your weak spots. If you had an excellent year, toot your horn, but not to the point that it will make subsequent modest years look like disappointments.

■ **Time Frame:** Writing an annual report doesn't have to be hard or time consuming. Scheduling and writing the report during a two-month period makes more sense than jamming it into a weekend. Two months before year-end, decide who will write each section and assign deadlines. Most of the information should be drawn from reports, minutes of board meetings, and grant reports to funders. Remember, the key is simplicity. If your report looks too complicated, your audience may put it aside and never pick it up again.

COMPOSITION TIPS

Text: Annual reports are usually designed with a lot of “white space” to make them easy to read. Using wide margins and gutters (space between columns), placing spaces between paragraphs, aligning your text to the left and using “ragged right” will open up the copy. These techniques were all used in producing this brochure. The editorial tone should be formal, yet personalized with the use of first person and possessive pronouns.

Sections should be clearly identified with distinctive heads, but avoid using too many type styles and text gimmicks. These quickly become distractions and make your report appear less professional.

Photographs: Including photographs in an annual report can be a lot of work and will add considerably to your production costs. When you seek quotes from printers, get numbers for text only; text with black and white photos; and text with color photos. If the cost with photos is prohibitive, consider using illustrations (clip art) to dress up your report. These will add to visual interest without impacting cost.

If you don't have the budget to hire a photographer, pictures taken by your membership will work well. Use regular color print film, not black and white film. It is less expensive to buy, cheaper to develop, and can be used even if your report calls for black and white photos.

To add interest, use *human interest* or “action” shots, showing interaction between staff and the people with whom your organization works. Human interest photos provide an incentive for people to read the accompanying

copy. You may also use posed photographs – people receiving awards, board members being sworn in, group shots. Whatever you choose, keep pictures to a *minimum*, and select only photos that are in clear, sharp focus. Each time a photo is reproduced, it loses clarity. If you start with anything less than a clear, sharp image, you will not like the finished product.

If you are a state or regional organization, show members in *various geographic* locations. Select photos that reflect the diversity of your organization. Remember, your goal is to represent your entire community.

ADDITIONAL TIPS

- Use annual reports from other organizations to assist you in picking styles and formats.
- Discuss layouts and styles with a printer to help determine what you can afford. The cost of your publication will be impacted by:
 - Type and weight of paper used.
 - Color of ink used – the more colors, the higher the cost.
 - Photographs – printing in color is more expensive than black and white or duotone.
 - Number of copies – make sure you order enough for your board of directors, staff, members, contributors (financial and in-kind), grant and donation solicitations, and targeted community distribution.
- Have the board chair or designee review the document prior to publication. This may help avoid potential conflicts over tone and style.
- Publication timing should be as soon after your organization's fiscal year-end as possible.

Creating an Annual Report



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