



PRACTICAL GUIDE ON WRITING ANNUAL REPORTS FOR NONPROFITS



Guide for Nonprofits

This guide has been developed to help nonprofits who are new to writing annual reports to easily get the process started while staying transparent. If properly done, annual reports are an important tool for keeping stakeholders informed about your activities and to keep them engaged. Developed based on our experience at the Nigeria Network of NGOs, this guide offers information on how to plan and create valuable engaging annual report that you can submit to regulators and one that your friends, donors, beneficiaries and other stakeholders would want to read.

Who will lead the annual report project?

Identify a staff member who will lead the coordination of activities towards the development of the annual report. We recommend this should be led by a programs/project manager or communications officer; where there is one. In cases where these posts do not exist, the Executive Director should take the lead.

Which staff member, volunteer or board member will contribute data and other information?

Staff members, volunteers or board members leading on different activities and with sufficient information on key successes achieved in the year should be invited to contribute data. They should gather data relating to projects that they have led in the year. Tips on data to be gathered are available on page 2.

What is the objective of the annual report?

Why are you writing this annual report? Is it to show your impact? Inspire more action on the part of your stakeholders? Sustain old and attract new donors? As part of regulatory or donor requirement? Or to thank your donors and board members? Whatever the objective is, note that an annual report is an important accountability, transparency and communications tool for showing impact and value!

Your Audience

Who are your audience for the annual report? Are they your board, donors, beneficiaries, regulators, nonprofit networks and coalitions, corporate sponsors, individual donors, general public etc. Knowing who your audience is will shape what kind of information you provide and how this is framed in your annual report.

How will the annual report reach your audience?

Do you know the most effective distribution or communication channel for sending your annual report to your audience? While it is a standard practice to publish your annual report online and to send via email, it is worth considering other channels like having hard copies of the report delivered to your audience by mail services using courier or regular post. Postcard notifications with the link to the online version is also another means.

What data should be gathered and included in an annual report?

Consider gathering data that include the following:

- 3 major achievements for each of your activities in the year; Gather success stories from staff and volunteers involved directly.
- Did your staff or volunteers grow, if yes mention and show their impact. You may include pictorial illustrations for aesthetic effects.
- If you organised events, how many people attended your event? What did these events achieve in the course of the year?
- Number of people that benefited from your services. For example, if you provide support to widows, how many were supported in the year? If you train young people, how many were trained? How many were male and female? What is their age?
- Profile of your beneficiaries
- Which parts of the state or country did your beneficiaries come from? What is their number per area, local government, senatorial district, region etc.

- If you are a membership-based organisation; how many members do you have? Is your membership growing? What is their geographical spread?
- If you have a social media page, you may want to tell your audience how many followers you have, impressions and engagements made in the year.
- How many people visited your website, how many page views? (if you have one)
- Number of times publications were downloaded on your website
- Number of organisations or individuals receiving your newsletter (if you publish one)
- How much did you raise from your friends, family, donors, etc to organise or carry out your activities in the year?
- What is your annual budget, income and expenditure for the year?
- Sources of funding: individual donor, grants, consultancies, government, corporate sponsorship etc.
- Case studies where applicable.
- Ensure to include as many pictures as possible

What will be the content of your annual report?

We recommend that amongst others, the following contents be included in your annual reports:

- Message from the Board Chair, Founder or President
- Executive Director's message
- List of board members including Executive Director's name and affiliations
- Vision and mission, history or timeline series.

- Programmes or projects implemented in the year- Analysis of data captured will assist in developing quick highlights and results.
- Major accomplishments in the year—usually highlighted through stories or case studies
- Awards, grants, donations and in-kind support received.
- Financial statement (audited accounts or income and expenditure accounts)
- Acknowledgement of major supporters, donors, corporate sponsors etc.

In what format will the report be produced?

Will the report be printed in hard copies or only made available online? This is subject to your budget. The following formats may be considered:

- Digital or online
- Printed pieces
- Or a combination of both digital and print pieces
- Video
- Infographics
- Or a combination of all.

Whatever design is chosen, please bear in mind that a digital or online version is important and must be publicly available on your website or social media page for ease of reference and accessibility by your audience.

Remember to:

- Emphasise your impact and include highlights rather than an exhaustive list
- Keep it simple and verifiable
- Play with numbers
- Include pictures and graphics as this will keep your readers engaged
- Spell check and proofread
- Ensure message and letters from the organisation's leaders reflect why the organisation is successful, including highlighting growth and future projections.
- Start creating the annual report immediately your yearly financial audit has been commissioned, in order to meet regulatory reporting deadlines.
- Focus on your financial information as this is one of the most important data to be captured by an annual report.



Need help writing your annual report?
Please send an email to support@nnngo.org

This guide received funding from the Commonwealth Foundation for the project entitled "Strengthening statutory regulation for civil society organisations in Nigeria. The activity was carried out by the Nigeria Network of NGOs. This publication has been produced with the support of the Commonwealth Foundation. The contents of this publication are the sole responsibility of NNNGO and should in no way be taken to reflect the views of the Commonwealth Foundation.

Simplifying the annual report process



At the end of 2017, XYZ Foundation, a small nonprofit providing support to women, youth and children with an annual operating budget of less than 5 million Naira decided to publish its annual report well ahead of schedule in 2018 and to keep up with statutory regulatory requirements.

From 2001 to 2018, the Foundation made series of progress but ended up not communicating this impact to its audience. The result was a Foundation whose resources were dwindling with impact and activities not known by its board, individual donors, corporate sponsors and the general public.

When the Founder or Executive Director noticed how this is affecting organisational growth, s/he immediately launched a turnaround process for streamlining and simplifying the organisation's annual report creation process. The support of the Nigeria Network of NGOs was sought and the tips in this guide were provided.

Being a small nonprofit with two paid staffs and 10 volunteers who come in as their schedule permits, the Executive Director of XYZ Foundation led the process of developing the organisation's 2018 annual report. S/he identified amongst volunteers and staff those with sufficient knowledge of the Foundation's activities who could then collate verifiable data needed for the report. Using tips from the guide, a plan (see exhibit 1: <https://wp.me/p4MdwS-Of> —accessible only to NNNGO paid members) already developed by the Nigeria Network of NGOs was shared with the Executive Director and then, used in setting up the annual reporting process.

During their weekly staff meetings, decisions were taken and implemented on what data to collect, where to find the data, key achievements to highlight in the annual report, what format to use, how the report will be distributed, and amount of money needed to push all activities through. "This process instituted in December 2017 led to the publication our annual report in February 20, 2018 and has led to significant efficiencies in our ways of working including helping us to learn how best to keep track of data for our work in 2018".