

An Introduction to Grant Reports: Tips and Tools for Preparing Reports for Your Funders



In this article, Brian Satterfield of TechSoup outlines the key ingredients of a grant report and gives 6 tips for writing effective grant reports. He also reviews several leading categories of report-writing software.

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Tips and tools for preparing reports for your funders

By: Brian Satterfield

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The grant proposal you spent weeks writing has finally paid off, securing much-needed funds for your nonprofit's latest project. Yet even though you have acquired the grant, your obligation to your funders isn't over. Once your organization accepts a funder's money, you also accept the responsibility of preparing and submitting a grant report to them, letting the funder how you spent their money and what sort of impact your program or project has had.

Individual funders often provide specific guidelines as to what a grant report should contain, yet most funders will want to see detailed financial statements; information on the project's outcome or predicted results; and whether you delivered on the promises outlined in your proposal.

How many reports a grantee must submit and how often they must do so also varies from one funder to another. If your organization has secured a one-year grant, for example, you might be asked to submit an initial report after six months and a final report six months later. If, on the other hand, you've received funding for multiple years, you may be required to submit annual reports followed by a final report once the grant ends.

Yet no matter what the guidelines or deadlines for your particular grant, you'll eventually need to sit down and explain to your funder how you spent all those dollars and cents. Before you begin writing your report, it can be useful to know what information you should include, what steps you can take to make your report more effective, and what software you might use to get the job done.

The Importance of Grant Reporting

Most funders will require you to prepare a grant report; yet even if it's not mandatory, you should still submit one anyway. According to [Susan Fox](#) -- Certified Fund Raising Executive (CFRE) -- and author of the book [Grant Proposal Makeover: Transform Your Request From No to Yes](#) a well-crafted grant report can have a positive effect on the way funders view your organization and greatly increases your chances of receiving additional funding.

"It's a way to build the relationship and get more money from them [funders] in the future," Fox said.

Fox also noted that information compiled for a grant report can later be repurposed to strengthen an organization's communication materials, such as annual reports and newsletters that are often mailed to major donors.

The Key Ingredients of a Grant Report

Since no two funders are alike, you may be asked to follow very specific guidelines -- including what detailed information to include -- when preparing your grant report. In fact, some funders go so far as to provide you with a template or list of questions to fill out, eliminating the need to create a report from scratch.

Other times, however, you may be given little or no guidance. While there is no one-size-fits-all approach to creating original grant reports, most should address the following key elements:

Financial Statement

One of the most important items found in a grant report is a financial statement, which tells funders how you spent their money. A financial statement should include all costs associated with the project, including staff and contractor salaries; equipment purchases; and travel expenses.

Different funders will set different guidelines as to how detailed your financial statement should be, but in general, funders will want to see how closely the project's actual budget -- including both expenses and income -- matches the original budget found in your proposal. Some funders may even request an audit of your financial records in order to double-check your statement, Fox noted, so be as thorough as possible.

Results and Impact of the Project

If your grant proposal contains some sort of quantifiable goal (for example, "to offer computer training to 150 area elementary school students"), your report should address whether the program yielded the desired results. If you didn't meet your initial goals, offer the funder an honest assessment about what you think went wrong or what led to your miscalculation.

A grant report should also speak to a project's overall impact, said Fox, who suggests highlighting measurable, positive outcomes. Numbers can be particularly helpful in this type of reporting, allowing a funder to see exactly how many people its money has helped.

In some cases, however, it might be difficult or impossible to accurately gauge a program's results. For example, if your organization's program is trying to prevent children from smoking, it may be too early to tell whether the program will be successful. In such cases, Fox suggests stressing intermediate findings, such as what the children learned about smoking and how their attitudes toward tobacco may have changed.

Similarly, arts organizations might have trouble accurately conveying a program's successes because they are not necessarily trying to solve a specific problem. Fox pointed out that an arts organization can help address this issue by including information such as how many people attended a concert and whether it received any positive critical reviews.

Lessons Learned

A grant report should also include information on the project's major takeaways, including unexpected challenges that your organization faced. Describing problems that you encountered and explaining how you think they can be solved shows funders that your organization will not make the same missteps with any future funding it receives.

To illustrate this point, Fox cites a hypothetical example of a nonprofit that starts an after-school youth program. Though the participating students all find the program to be beneficial, the number of students who enroll is less than what the grant proposal initially outlined. In such a case, the organization might realize that it underestimated the importance of outreach and should spend more time and money to publicize the program in the future.

If a project has produced findings that could benefit your nonprofit's entire sector, funders may also be interested in hearing whether you plan to share this information with similar organizations and how you might go about distributing it.

Sustainability Plans

If your program was a success, you will likely want to continue or expand it, meaning that you'll need to secure additional funding. Therefore, outlining an initial plan for sustaining the program can help convince funders to renew your grant or even give you a larger one if you have particularly ambitious goals in mind.

Tips for Preparing an Effective Grant Report

A well-organized, compelling grant report can play a key role in persuading funders to continue funding your organization's programs. Though you should adhere to any specific guidelines a funder provides when preparing your report, the following tips may prove useful.

1. Organize the report using subheads and bullet points.

The easier it is for a founder to read a grant report and locate important information, the more effective it will be. To help guide readers through your grant report, you may want to consider highlighting major sections with bold-text headings and organizing key points into easy-to-read

bulleted lists. While Fox warns against overusing bold text and bullet points, she believes that, when used judiciously, they can be an aid to readers.

"[Things] that act as signposts are going to be helpful to them [readers]" she said.

2. Use charts and graphs to visualize findings and results.

If your project produced results or learnings that can be numerically quantified, you might consider visually expressing the information in a chart or a graph.

For instance, if your organization provided technology training to 1,000 local senior citizens, you might want to use a pie chart to show the percentage of people your program helped educate. Since a typical grant report might contain an abundance of statistics and numbers, displaying key successes or findings in a chart can help call attention to important points, though you should take care not to overwhelm the reader with too many visuals.

3. Include stories about the people you've helped.

Whether your organization used the grant money to start an educational program or find housing for homeless people, the ultimate goal of the project was to improve your constituents' lives. Fox believes that including anecdotes and testimonials from the people who benefited from the project can help make your grant report more engaging and effective.

Depending on the type of funder that gave you a grant, you might also choose to enclose photos of your constituents in the report. According to Fox, smaller family funders might find photographs very useful since they tend to make funding decisions based on a project's emotional impact.

"For them," she said, "it's going to be important to see the pictures of the kids who get to go to camp or whatever it is that you are doing."

4. Strive for brevity.

It's important to remember that funders often award grants to many organizations and consequently may have a large stack of reports to read through. And while you want to make sure that your report contains enough information to satisfy the funder's requirements, you should also strive for brevity in order to make sure it gets read in its entirety. Many funders will set a maximum report length in their guidelines, but if they don't, aim for between five and 10 printed pages.

5. Meet your deadline.

Just as most funders set a deadline for submitting grant proposals, they also place deadlines on when grantees should submit reports. You should make every effort to meet this deadline, but if for some reason your report will be late, be sure to contact the funder. Most funders will have an understanding attitude regarding tardy grant reports as long as you give advance notice.

6. Say thank you.

Though you may become immersed in small details when creating a grant report, don't forget to exercise a little common courtesy. Thanking the donor is not only the polite thing to do, but it increases your chances of securing future funding.

Helpful Software for Creating Grant Reports

In most cases, preparing a grant report will require you to use at least one software application, although you may only need a word-processing application for simple reports. Below are a few applications that can be useful when preparing grant reports. We've listed several examples from each category.

Office Suites

In most instances, preparing a grant report will require the use of one or more applications found in an office suite such as [Microsoft Office 2007](#) (available for a \$16 administration fee to qualifying nonprofits at [TechSoup Stock](#)) or [OpenOffice.org](#) (free).

Microsoft Word or OpenOffice Writer word-processing applications can be used to prepare and format reports from scratch, while Microsoft Excel and OpenOffice Calc spreadsheet programs can be used to track finances; record hours worked; and build charts and graphs.

Accounting Software

Unless you've outsourced accounting duties to a consultant, you will likely need some form of accounting software. If your budget is nonexistent, you might try: [AceMoney Lite](#), a free program that offers features for tracking income and expenses and managing a budget. AceMoney Lite only allows you to work with one bank account, however, which could limit its usefulness to larger organizations.

Another relatively low-cost accounting-software option is Intuit's QuickBooks for Nonprofits (available to qualifying nonprofits for \$48 administration fee at [TechSoup Stock](#)). In addition to standard accounting features, such as the ability to track funds and prepare reports, this version of QuickBooks offers features specifically designed for nonprofit organizations, including those for tracking donors and preparing an IRS Form 990.

For a look at other general and nonprofit-specific accounting applications, read [Idealware's article A Few Good Accounting Packages](#).

Reporting Software

Larger organizations may want to consider specialized reporting software such as Crystal Reports Professional Edition (available to qualifying nonprofits for a \$45 administration fee from [TechSoup Stock](#)). Crystal Reports Professional is designed to quickly pull specified information

from your database and automatically generate a report. The application can create a variety of financial reports that detail such aspects as expenses, income, and payroll -- it can also help you design several different types of charts.

Note that because the various Crystal Reports applications can be complex and require your organization to have a database solution in place, they are most appropriate for nonprofits that need to routinely prepare very detailed reports and have access to knowledgeable IT staffers, volunteers, or consultants.

Don't think of a grant report as a chore; think of it as an opportunity to strengthen your relationship with the funder and set the stage for future funding. After all, the more grant money your organization receives, the more people your organization can help.

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