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ACCOUNTING AND ANALYTICAL SUPPORT OF FUNDRAISING OPERATIONS IN ORGANIZATIONS OF NON-PROFIT SECTOR OF THE ECONOMY

Abstract. In the modern world, organizations that have based their activities not on economic but social benefits are becoming more widespread. Non-governmental non-profit organizations bring together individuals and/or entities for meeting economic, public, social, cultural, environmental and other interests, needs for political will, religious service, etc. Such organizations are usually not commercially active, so finding sources of funding or fundraising is an important component of their business activity. Different types of funding sources and different approaches to attracting such funding can be applied to each type of non-governmental non-profit organization. Accounting of such funding and the cost of its finding is the core of transparent activity of these organizations and reflection of the results of their work. The purpose of the research is to explore the accounting and analytical support for the implementation of fundraising in non-governmental non-profit organizations. The article describes the concept of fundraising as an activity of finding and raising funds for the realization of social functions by non-governmental non-profit organizations. Types of non-governmental non-profit organizations in Ukraine and abroad are investigated, methods of fundraising implementation are disclosed. The nomenclature of expenses on fundraising, the procedure for recognizing such expenses and reflection in accounting of non-governmental non-profit organizations are defined. The location of the cost of searching funding in the transaction costs of the organization is determined.

Key words: fundraising, the cost of fundraising, non-governmental non-profit organization, accounting for the cost of fundraising, transaction costs.

Problem statement

Non-governmental non-profit organizations have got into all spheres of social life of the state. We are constantly confronted with the activities of public organizations, political parties, charitable foundations, religious organizations and etc. Environmental non-profit organizations call for environmental conservation, develop strategies and often influence governments to reduce atmospheric emissions or pollution of the oceans. Most of us are active parishioners or involved in some kind of religious community. We support a particular political party by expressing their will during the elections or hiding charitable assistance for the implementation of charitable foundations. The activities of all these non-governmental non-profit organizations are an integral part of our society.

Analysis of recent research and publications

The peculiarities of the activities of non-profit organizations, as well as the issues of accounting and reporting in different types of non-profit organizations have been researched by many scientists: O. B. Andreeva, N. O. Gura, O. M. Vinnyk,

O. S. Vysochan, O. O. Vysochan, O. A. Klymenko, Y. R. Skorobogata, L. M. Chupryna, S. Levytska, S. Svirko, V. Khomutenko and others.

Every non-profit organization, in the course of its business, is faced with the need to find resources to ensure its effective functioning. Each non-profit organization in its activities is faced with the necessity of finding resources to ensure their effective functioning. The exploration of the sources of origin, ways of involvement and methods of implementation such financing is also the subject of research not only by practitioners but also by domestic and foreign scientists. The problem of fundraising in non-profit organizations, ways of fundraising in the context of attracting human, material and financial resources for the work of non-profit organizations pay attention to such leading domestic and foreign theorists and practices as: O. I. Shnyrkov, I. O. Mingazutdinov, T. Krupsky, O. Ovsianyuk-Berdadina, S. Collins, V. Sekerin, V. Snihulskaya, A. Sokolova, O. Solosich, S. Orlova, O. Chernyavska, A. Babiyy and others.

At the same time, a number of issues, especially with regard to accounting of economic processes for attracting financial resources for the activities of non-governmental non-profit organizations, remain to be ignored.

Goals statement

The goals of our research are:

- exploration of foreign and domestic experience of functioning of non-governmental non-profit organizations;
- research of the main sources of financing of non-governmental non-profit organizations;
- analysis approaches to the definition of the term “fundraising”;
- research of methods of fundraising;
- developing a methodology for accounting the cost of fundraising.

Until recently, accounting methods for non-governmental non-profit organizations have not been the subject of research by scientists. It was thought that such organizations did not need to pitch specific approaches or highlight specific accounting entities. However, the practice of conducting business activities of non-governmental non-profit organizations shows that the features

exist and need not only detailed research, but also the development of new decisions and approaches, both for the functioning of organizations as a whole and for accounting of economic processes in particular.

Presentation of the main research material

I. Non-budgetary non-profit organizations as subjects of economic activity in Ukraine and abroad

In recent years, there has been a rapid development of the non-profit sector of the economy in Ukraine. A large number of non-governmental organizations have emerged, the purpose of which was not to profit but to satisfy the social interests of citizens. Abroad such organizations are widespread and have been operating for a long time, so the creation, basic principles of functioning and ways of attracting sources of financing for non-governmental non-profit organizations in Ukraine are based primarily on foreign experience.

Non-profit organization or NPO is a legal entity formed by a group of persons to promote cultural, religious, professional, or social objectives, etc. The initial funds are raised by the members or trustees of the NPO. As the organization is a non-profit making entity, it applies its surplus funds on the promotion of the objectives of the organization rather than distributing it among the members of the organization [1].

As we can see, non-profit organizations include also governmental organization which are funded by local or state budgets.

The main feature that distinguishes non-governmental non-profit organizations from budgetary institutions is the initiator of their creation. In the case of non-governmental non-profit organizations, it can be any individuals or entities (except as prohibited by law), in the second case, exclusively by public authorities or local governments.

Non-government organization or NGO is an association formed by the citizens, that functions completely autonomous from the government to perform a broad spectrum of services and humanitarian functions. It is a non-profit making entity, that operates at a regional, national or

international level depending on its reach and connectivity. These organizations raise its funds from government, foundations, businesses and private people. It performs a number of activities, to draw the attention of the government towards the citizen's grievances, advocating public policies, promoting political participation by providing information [1].

Let's define the basic principles on which the activity of a non-governmental non-profit organization is based:

- the activities of non-profit organizations are not aimed at profit, profit serves as a means of achieving socially significant goals;
- the profit received is directed to achievement of the goals of the organization;
- the activity of a non-profit organization combines economic efficiency of the market and social efficiency of the state.

The GlobalGiving Foundation website [2] identified a number of differences that distinguish between commercial and non-profit organizations:

1. A nonprofit organization must benefit the general public.

A business can benefit the personal financial interests of an individual, shareholder, or group. At the same time, a non-profit organization does not necessarily have to bring public benefit to the general public. An organization can provide the economic, social, sports, creative, environmental and other needs of an individual group. Non-profit organizations also have economic interests. They earn income, acquire assets, have employees and can make a profit as a result of their activities. But all profits from a charitable organization must be reinvested into the organization, whereas profits from a business can benefit owners or other individuals. If a nonprofit violates this basic principle, it could risk losing its tax-exempt status.

2. Nonprofits are eligible for tax exemption because of their valuable contributions to the community.

Since the profit of non-governmental non-profit organizations does not serve to obtain the financial benefit of individuals, but is invested in the activities of the company, such organizations are exempt from income (profit) taxes. Nonprofit enterprises, institutions and organizations in accordance with the procedure and under the

conditions established by item 133.4 of Art. 134 of the Tax Code of Ukraine [3], are not payers of income tax. However, other taxes such as taxes related to employee salaries are required to be charged and paid by the organization.

3. The nonprofit sector fills gaps in community that the public and private sectors are unable or unwilling to address.

Non-profit organizations are an integral part of every country's social life. And not just as public or charitable organizations that often perform even individual functions of the state, but as an association of individuals to protect their rights, freedoms or common interest, such as creative unions or gardening societies.

Through the nonprofit sector, people can select which services you deem the most important and support them with a charitable donation (rather than a mandatory tax). The public has also historically entrusted the nonprofit sector to ethically address certain social and structural issues because it is free of the financial and personal interests that underlie actions in the private sector.

4. Nonprofits rely on funding from many different sources.

In general, the income of nonprofit organizations, depending on the source of their income, can be divided into target, non-target, passive income, income from the main or other statutory nonprofit activities. Huge amount of the nonprofit sector's overall revenue comes from charitable giving. Each non-governmental non-profit organization can receive revenue from specific for her sources: charitable assistance from individuals and entities, subsidies, grants, donations or membership fees. The ratio of such revenues to each organization is different. There is no single approach to attracting financing to support the activities of non-governmental non-profit organizations.

5. Nonprofits contend with widespread misconceptions about spending and impact.

One of the most prevalent misconceptions about nonprofits is called the overhead myth. Society believes that a nonprofit organization should use a very small portion of its expenses on its own maintenance, and direct all proceeds towards the achievement of its goals and objectives as defined in the charter. However, the effective

activity of the organization requires first and foremost a team of specialists and appropriate working conditions. For example, in Ukraine there is a cap for charitable organizations on spending expenses on maintenance. The maintenance costs of charitable organization cannot exceed 20 % of total expenditure for the current year. Transparent reporting and disclosure of costs to the public or other stakeholders will help to avoid accusations of overestimation of the costs of maintaining NGOs.

6. Growth is not always the best measure of success for a nonprofit.

While continuous growth is the most common measure of success for a business, success for a nonprofit is not always as straightforward. Progress toward a social mission can be tricky to measure. Non-profit organizations should at first place put their purpose and goals, but not expansion of the activity. For example, charitable assistance to a small category of citizens, but quality and timely, is more important than dispersing or spreading it over large territories.

The one common theme for all nonprofits is that they are not organized solely for profit. They instead serve a social purpose.

If we talk about the experience of the United States in regulating the activities of non-governmental non-profit organizations, then Internal Revenue Service or IRS in United States recognizes more than 30 types of nonprofit organizations. A separate subsection of the 501(c) section of the tax code rules each type of nonprofit.

Technically under the IRS's 501(c) code, there are two main types of nonprofits: nonprofit organization (NPO) and not-for-profit organization (NFPO). NPO's serve the public via goods and services while a not-for-profit organization (NFPO) may serve just a group of members. 501(c)(3), are organizations that are "corporations, funds or foundations that operate for religious, charitable, scientific, literary or educational purposes." Conversely, NFPOs may exist for more private focused groups or members. Other main types include [4]:

Section 501(c)(4): civic leagues and social welfare organizations, homeowners associations, and volunteer fire companies;

Section 501(c)(5): such as labor unions;

Section 501(c)(6): such as chambers of commerce;

Section 501(c)(7): such as Social and Recreational Clubs;

Section 501(k): childcare-related organizations.

In Ukraine non-profit organizations and institutions are classified according to the attributed feature of non-profit:

(0031) – budgetary institutions;

(0032) – public associations;

(0033) – political parties;

(0034) – creative unions;

(0035) – religious organizations;

(0036) – charitable organizations;

(0037) – pension funds;

(0038) – unions;

(0039) – associations and other associations of legal entities;

(0040) – housing cooperatives (from the first day of the month following the month in which a dwelling house is completed and completed or purchased by a dwelling cooperative in accordance with the law);

(0041) – summer (summer-construction) cooperatives;

(0042) – gardening and garage (garage building) cooperatives (societies);

(0043) – an association of co-owners of an apartment building, an association of homeowners;

(0044) – trade unions, their associations and organizations of trade unions;

(0045) – employers' organizations and their associations;

(0046) – agricultural service cooperatives;

(0047) – cooperative associations of agricultural service cooperatives;

(0048) – other legal entities whose activities meet the requirements set out in paragraph 133.4 of Article 133 of the Tax Code of Ukraine, established and registered in the manner specified by the law governing the activities of the non-profit organization concerned.

There have been a large number of non-governmental non-profit organizations in Ukraine over the past five years and their number has been constantly increasing (table 1).

Table 1

Number of non-governmental organization in Ukraine for 2015-2019*

Type of organization	Number of organizations, at the beginning of year				
	2015	2016	2017	2018	2019
Public organization	64 526	70 321	75 988	80 461	84 608
Public union	526	753	990	1 254	1 455
Charitable organization	15 934	15 384	16 837	17 726	18 433
Political party	18 237	15 557	15 817	15 791	15 485
Creative union	277	279	292	311	314
Religious organization	24 957	23 261	24 072	25 223	26 075
Trade union, union of trade unions	28 890	26 321	26 899	27 601	28 026
Association of co-owners of apartment building	15 992	17 109	26 080	27 999	29 916
Total	169 339	168 985	186 975	196 366	204 312

*Source: compiled on the basis of statistics data for 2015–2019.

The number of entities registered as non-governmental non-profit organizations increased by 21 % during 2015–2019. Among the types of NGOs, the largest dynamics are attributed to public unions and association of co-owners of apartment building, whose increase for 2015–2019 is 177 % and 87 % respectively. In general, there was no significant decrease in the number of non-profit organizations for each of their types. As for the structure of non-profit organizations, the public organizations have the most important share for the surveyed period, whose share averages 40 % annually.

All these organizations provide their business activities from different sources depending on their type. However, for each organization important is the search of ways and directions to attract such funding.

II. Foreign and domestic experience of attracting financing by non-governmental non-profit organizations

There are a number of problems in the activities of non-governmental non-profit organizations, which affect the effectiveness of the activity. However, one of the most important is financing and asset search - fundraising.

In spite of the large number of works that have considered the issue of fundraising by different types of organizations, most of the scientists identify the latter as a specific activity for finding and raising different types of resources (material, human, financial) for the activities of

non-profit organizations, the implementation of socially significant or research projects. However, the definition of “fundraising” has some differences depending on the type of organization or the purpose of the engagement.

I. Khaliy, O. Aksenova, L. Luneva [5, p. 1] consider “fundraising” as process of raising funds that are used both for the implementation of socially significant projects and for the organizational support of non-profit organizations. O. V. Chernyavska and A. M. Sokolova [6, p. 12] believe that “fundraising” is a professional activity in mobilizing financial and other resources for the implementation of socially significant and research non-profit projects, which requires special knowledge and fundraiser skills.

According to O. Y. Babiyy [7, p. 6], “fundraising” is a wide range of activities, involving the attraction of various sources of funds: donor, membership, charity.

Fundraising is not, in essence, a search for investment, because the investor will not receive further profit from the investment, since the projects of non-governmental non-profit organizations are not-for-profit and do not bring financial benefits to either the owners (founders) of the organizations or their donors.

The sources of formation of property of non-governmental non-profit organizations can be:

- funds of the state and local budgets, in particular in the form of appropriations, subventions, subsidies, etc.;
- grants;

- funds and other means received as charitable assistance and donations;
- revenues from owners of organizations;
- entrance and membership fees;
- property received from other non-profit organizations after their liquidation;
- dividends and interest received on securities and bank deposits;
- funds received as income from the use of NGOs' property (such as rent);
- funds received as income from the sale of tangible assets and/or services (provided if such implementation is not the main activity under the statute and not prohibited by the legislation);
- other specific revenues (pension contributions to non-state pension funds; funds received by trade union in accordance with collective agreements; property rights of religious organizations, etc.) not prohibited by law.

Therefore, the sources of financing non-governmental non-profit organizations can be grouped into two large groups:

1) self-financing: membership fees, charity events, provision of various paid services (providing information, conducting seminars, trainings) and performance of contract works (expertise, survey, conducting research) and others;

2) external sources of financial support: grants, local budget funds, participation in state (or regional) targeted programs, sponsorship, etc.

The state often supports the activities of non-governmental non-profit organizations, both directly and indirectly. Consider the example of public organizations how solve the problem of financing in European countries. In this way, European public organizations cooperate with public authorities, which in turn financially support them. There are two main types of financing in European countries [8]:

– direct financial support from the budget, through subsidies or grants (state funding for the implementation of a specific project), state competitive procurement (purchase by the state of goods and services produced by public organizations), regulatory support (monetary compensation paid to public organizations for providing services);

– indirect financial support, such as an organization's income tax benefits, tax benefits for

donors if a donation is made to a particular organization.

The experience of individual countries makes it possible to determine specific directions of financing by the state for non-governmental non-profit organizations.

In Germany, public funding accounts for 64,3 % of the total income of public organizations, which is deducted from taxes and income from social insurance, private donations, payment for services, duties and lottery income. In Croatia established the National Foundation for civil society development, which supports the small number of organizations, but for quite a long period. The National Foundation for civil society development is funded by lottery winnings, which provide reliable funding each year.

Hungary also has a National Fund for the development of civil society to provide institutional and programmatic support to public organizations. Each year the Fund receives amounts equal to a total of 1 % of taxpayers' contributions to public organizations.

The financing of public organizations in the UK is a one third of their total revenue, most of the funding from government sources is distributed to organizations working in the field of social service delivery. More than 75 % of all public organizations do not have direct financial relations with the state.

Public organizations in the Czech Republic are financed from the state budget and all local budgets. The country also introduced the practice of financing from special funds of the European Union. While in other countries such assistance was used to empower local governments, in the Czech Republic part of these funds was used to support the development of public organizations.

In Ukraine public organizations with legal entity status have the right to financial support at the expense of the State budget of Ukraine, the local budget and are obliged to submit and publish reports on the use of these funds. But it should be noted that state funding of public organizations in Ukraine is formal and unregulated, there is no long-term state funding and no funds for the support of public organizations. Therefore, the involvement of financial resources for the work of public organizations and the implementation of

their projects is mainly due to sponsorship and voluntary donations [8].

The situation is similar with other non-governmental non-profit organizations. For example, a research of Ukrainian Charities' activities conducted by Corestone group and Gfk Ukraine in 2018 shows that funding coming from state or local budgets is only 2 %. At the same time, the largest percentage among the various sources of financing of charitable organizations in Ukraine belongs to voluntary donations of individuals and is 39 % (the average amount of donations from one individual is UAH 2033). According to research, international donors (33 %) and business donations (17 %) are also significant sources of funding for charities in Ukraine. Thus, charitable organizations are fundraising in two ways: among the public and among businesses (or fundraising among the public and fundraising among the business).

According to a survey conducted in the framework of the research [9], the most effective methods of raising funds for charitable organizations are direct communication with people, cooperation with business enterprises (possibility to transfer funds for charity during the purchase of goods) and organization of charity events.

In general fundraising is the process of asking for contributions from individuals, companies, and foundations. Voluntary donations and other fundraising activity provide the funds that enables the nation to have a thriving voluntary sector and provides a wide array of charitable services that benefits people and communities at home and abroad. Fundraising campaigns and activity connect people with causes they care about, but excellent fundraising is not just about bringing in the money. It is about developing positive, sustainable and respectful relationships with supporters and embedding the values of your organization into your strategy and approach to raising money [10].

Fundraising, in all of its forms, is crucial for nonprofits to complete their projects and fulfill their causes. Without fundraising, organizations would have no incoming revenue [11]. Different types of organizations are characterized by different sources of funding. For example, for charitable organizations the amount of charitable assistance received from individuals and entities is crucial, while associations of entities or trade unions can be funded almost entirely by membership fees.

Different ways of fundraising by companies and individuals are at the Table 2.

Table 2

Comparison of the main fundraising methods*

Fundraising method	Received from	Simplicity	High cost	Popularity
Matching Gifts	Companies	+	-	+
Volunteer Grants	Companies	+	-	+
Corporate Grants	Companies	-	+	-
In-Kind Donations	Companies	+	-	+
Direct Mail Donations	Individuals	-	+	+
Online Donations	Individuals	+	+	+
Event Donations	Individuals	-	+	+
Text Donations	Individuals	+	+	+
Peer-to-Peer Fundraising	Individuals	+	+	+
Phonathon	Individuals	+	+	+
Pledge Fundraising	Individuals	+	-	+
Recurring Donations	Individuals	+	-	+
Annual Campaign Donations	Individuals	-	+	+
Planned Gifts	Individuals	-	+	+
Major Gifts	Individuals	-	+	+
Capital Campaigns	Individuals	-	+	+
Community Foundation Grants	Foundations	-	+	+
Private Foundation Grants	Foundations	-	+	+

* Source: [11]

Analyzing the table, we can conclude that comparing different methods shows some inverse interdependence between the simplicity of its implementation and the end result. Thus, the effectiveness of attracting funds in a particular method is directly proportional to its complexity of the application.

It should also be noted that there is no perfect way to raise funds. However, comparing different methods it is worth highlighting Online Donations, Text Donations, Peer-to-Peer Fundraising, Phonathon which are quite effective, very popular and relatively easy to use. All of these methods belong to the group of fundraising methods among individuals.

Consider separately the most common fundraising methods:

- volunteer grants are sums of money that companies will distribute after employees have volunteered a minimum number of hours with an eligible nonprofit;

- corporate grants are local, state, or national grants that companies distribute to eligible nonprofits;

- in-kind donations are contributions of products or services that companies give to nonprofits;

- online donations are contributions that a donor makes via a nonprofit's online donation page;

- peer-to-peer fundraising is a way for supporters to fundraise on organization's behalf;

- event donations are contributions that supporters make during a fundraising event such as a gala, walkathon, or charity auction;

- capital campaigns are large fundraising initiatives that aim to raise money for a specific project like a new building, an expansion to an existing structure, or the supplication of an endowment;

- community foundation grants are sums of money that are distributed by local, state, or national foundations;

- private or family foundation grants are very similar to community foundation grants.

Not every fundraising method will require the exact same set of resources. However, there are some standard resources that are crucial for nonprofit fundraising success regardless of how or

why donations are asked: financial goal, budget, volunteers, marketing materials.

III. Accounting for the financing of the activity of non-governmental non-profit organizations and the costs of fundraising

For accounting purposes, it is important to classify sources of financing for a non-government non-profit organization in order to further reflect them in the system of accounts. Such classification will allow to receive timely and prompt information in terms of sources of funding, projects for which this funding is received and costs of each type of financing.

Funds received by a non-governmental non-profit organization as targeted financing can be used solely to meet pre-established needs and implement specific measures.

The current accounting methodology makes it impossible to monitor their intended use without additional adjustments to their cash accounts.

The solution to this problem is complicated by situations where the funds are received in several tranches and do not cover all the actual project costs.

In this case, the question of obtaining and using the targeted funds does not arise only in cases where the organization has one source of funding for the implementation of a single project.

An analysis of the practical activities of various non-profit organizations shows that this is uncommon.

There are three main methods of accounting for targeted financing in the accounts:

- 1) common to both commercial and non-commercial enterprises, comply with applicable standards regulations (standards) of accounting, but cannot be used to solve management problems.

- 2) the simplified methodology is used for accounting in small NGO that have a small number of projects and do not receive additional income from related activities. Simplified accounting does not allow to obtain information on the financing in terms of sources and directions of their further use.

- 3) computation technique provides an opportunity to compare accounting indicators with the approved budget (computation). This approach is useful for management accounting, but provides for the creation of an additional nomenclature of subaccounts for income and expense accounts.

We believe that the basic classification for the division of sources of funding for NGO should be the direction of further use of the resources received.

On this basis it is possible to allocate:

- sources of funding for statutory activities (resources will be used to cover the costs of maintaining the organization);

- sources of funding for the implementation of statutory tasks (resources are assigned to the implementation of specific projects, programs, activities and are targeted).

Such classification will not only separate the funding into targeted and non-targeted, but will also create the basis for forming analytics into income, expense and financing accounts.

For accounting and generalization of information on availability and movement of funds for targeted activities it is recommended to use account 48 "Target financing and target receipts". In the practice of activity of NGO, the most common forms of targeted financing are: subsidies,

appropriations from the budget and extrabudgetary funds, targeted contributions of individuals and entities, humanitarian aid, membership fees.

In the process of finding resources, a non-profit organization use their own funds and incurs the necessary expenses. At the same time, an important task is their correct and accurate accounting. Based on the fact that fundraising costs are the costs associated with finding and attracting resources for the implementation of socially important projects and the maintenance of running costs, various classifications are proposed and refined in the scientific literature to optimize the process of attracting resources to a non-governmental non-profit organization.

The classification of the costs of fundraising, investigated in scientific work [12], provides to distinguish the following expenses categories: the cost of the donor search; the costs for preparation and presentation of the project; the costs associated with obtaining resources. Each cost category has its own specific feature of accounting billing (table 4).

Table 3

Accounting for the cost of fundraising in non-governmental non-profit organizations*

Cost of fundraising	Types of costs	Cost structure	Method of accounting
The cost of the donor search	Costs of finding information about potential donors, of forming a project team and planning a fundraising campaign, costs of legal regulation of fundraising activities	Salaries of project team members and accruals on it, materials, low value items, payment for services of contractors	Write-off on expenses of the reporting period (for example, account 92 "Administrative expenses")
The costs for preparation and presentation of the project	Costs of searching information for project development	Salaries of project managers and the depreciation of office and computer equipment	Write-off on future expenses (expense 39 "Expenses of future periods")
The costs associated with obtaining resources	Costs of legal and consulting support, of signing the contract of receiving funds	Payment for banking services, payment for the services of a lawyer, of notary and payment of other counterparties	Write-off on specific project costs (for example, account 949 "Other operating expenses" using analytical accounting by project)

* Source: author`s generalization/

Although the costs of the donor search are insignificant in the overall set of expenses, they are risky for organizations and therefore subject to write off on expenses of the reporting period.

The project costs are uncertain because the probability of receiving resources is not evident,

and the share of such costs in total costs is significant. Therefore, it is economically feasible to accumulate project costs (it can be used account 39 "Expenses of future periods") with their subsequent distribution, depending on the decision made on the project.

The third category of expenditure relates to specific projects and is organizational in nature. For this reason, accounting for costs associated with obtaining resources involves including them in the costs of a particular project.

Also common is the approach of reflecting the cost of fundraising on accounts, which involves the use of a separate subaccount with the necessary analytics (according to the stages of fundraising or affiliation with a particular project). However, if a non-governmental non-profit organization is systematically working on the development and implementation of a fundraising strategy, a separate team is working on its implementation, then the cost of fundraising is appropriate to separate and account for the type of such costs.

Conclusions and perspectives of further research

The role of non-governmental non-profit organizations in modern society is often perceived as secondary because such organizations are not targeted for profit, holding of economic growth and expansion of business activity and so their importance to the economy of the country is usually considered to be insignificant. However international experience shows that non-governmental non-profit organizations perform their activities no less effectively than commercial enterprises, but their purpose is social.

In every area of the country's life, one can find organizations that act as an association of citizens to protect their rights, freedoms or common interest.

In Ukraine over the past five years there has been an increase in the number of non-governmental non-profit organizations in particular public organizations.

Each of the non-governmental non-profit organizations faced with the necessity of finding funds to support their activities. Purposeful search for sources of funding and assets to support its activities, projects and programs - fundraising, allows non-governmental non-profit organizations to achieve their goals and objectives. Fundraising is not considered as the search for investment because it will not bring commercial benefits of investments in non-profit organization.

At the same time, the received targeted income by fundraising and costs for the

implementation of such measures require correct accounting.

For management accounting purposes, the sources of funding for non-budget nonprofit organizations should be grouped into two large groups: self-financing sources (membership fees, charity events, provision of all kinds of paid services and contract work); external sources of financing (grants, local budget funds, participation in state (or regional) targeted programs, sponsorship, etc.).

Funds received non-governmental non-profit organization like the target of funding can be used only to meet pre-set requirements and the implementation of specific measures.

In this way, the organization will be able to determine its dependence on external financing and make management decisions on the fundraising strategy.

Due to the specific nature of the activities of non-governmental non-profit organizations, the purpose of which is not to make a profit, adaptation of target financing methods that are relevant for commercial enterprises is not always possible to solve the problems of managing NGO.

We believe that it is appropriate for NGO to use a computation accounting methodology for targeted funding which provides an opportunity to compare the measurements with the approved budget (computation).

Practical implementation of the budget method is possible with the proper organization of management accounting and detailing of accounts on the basis of classification of sources of financing: financing for statutory activities and financing for the implementation of statutory tasks.

When looking for resources, a non-profit organization incurs some costs. Fundraising costs are the costs associated with finding and attracting resources to implement socially important projects and maintenance of running costs.

For a small non-governmental non-profit organizations costs of fundraising can be accounted for as administrative expenses without distribution by types of expenditure and projects.

The classification of fundraising costs involves the following categories of costs: the cost of the donor search; the costs for preparation and presentation of the project; the costs associated

with obtaining resources. The accounting of such costs depends on their type, but they are all complex costs, that is, they consist of different elements of costs: wages, social insurance, materials, etc.

Thus, the cost of a donor search should be written off to expenses of the period. It is advisable to accumulate project costs as part of project costs or future periods, with their subsequent distribution, depending on the project decision. Costs associated with obtaining resources for specific projects are included in the costs of that project.

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