# What to Consider in Buying Accounting Tools for Non-Profit Organizations

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There are a lot of accounting tools available in the market. Most of the accounting tools are intended to be used by companies who are intended to make the profit. However, if you are operating in a non-profit industry, there are some nuances which you should consider before buying an accounting software. As you know, many aspects of non-profit and profit organizations differ when it comes to bookkeeping and tax reporting. The major differences arise in cost allocations and reporting the expenses. Non-profit organizations need to categorize expenses across management, fundraising and operational areas. Your accounting tool should be able to allocate expenses by various functional areas. For example, you might decide that administrative tasks might take up to 30 percent of your office space. By allocating those costs, you will be able to know how much a certain fundraising activity actually costs. There are several standards available in finding out and applying direct/indirect and overhead costs. Consult with your accountant or your financial advisor to determine which approach and standards suit you best. Also, the revenue of non-profit organizations will be different. Different countries have different accounting standards of what should be considered as a revenue. The standards include the treatment of unrestricted and restricted funds, donated goods, and in-kind contributions. Coming to the reports, there are special reports that may be required by non-profit organizations. The accounting software should be able to show donor contribution reports and donation statements. There are also special forms (form 990) that might be required according to the laws of each country. [Kpi.com Online Accounting Solution](https://www.kpi.com/accounting/) supports unique needs of non-profit organizations. There is an ability to create different budgets: functional budgets, budgets of profit and loss statements, budgets by departments and so on. You can also view donation reports and dashboards. [Sign-up](https://app.kpi.com/signup/freeSignup.html) in order to learn more.