FUNDRAISING & INCENTIVES

FOR THE GREEN TRANSITION

Co-funded by the Erasmus+ Programme of the European Union

MODULE N°10

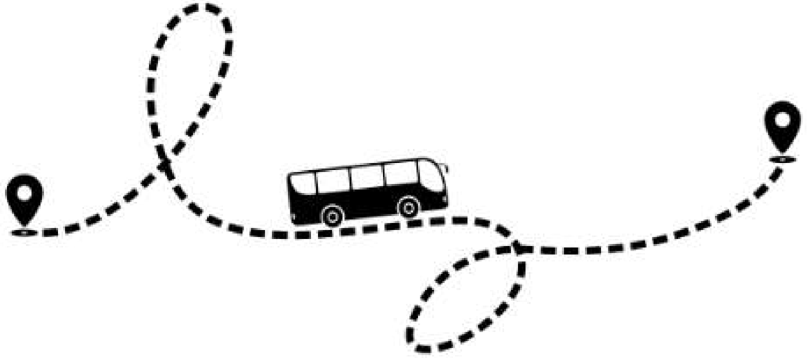
GREEN LABS

IRFEDD · LiCA · Centoform · Academy of Entrepreneurship · município de lousada · Young Ambassadors

2026

The Journey

learning, collaboration, and practical tools



Part 1
The Funding Landscape

Part 2
EU & Public Funding Programmes

Part 3
Innovative & Unconventional Fundraising

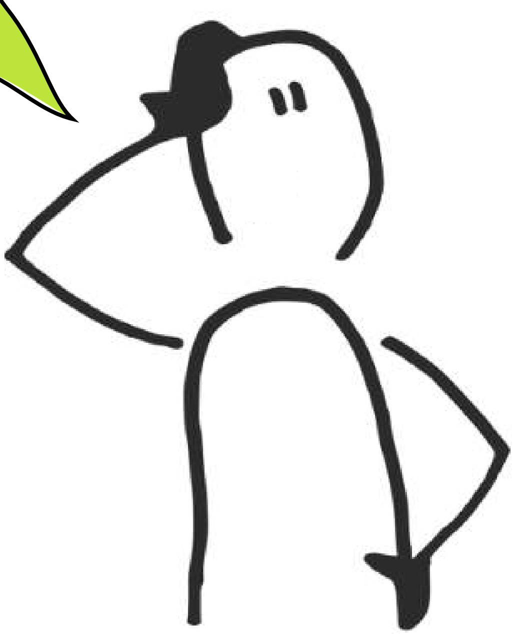
Part 4
Assessment Tools & Action Planning

Includes 2 breaks, group activities, case studies, and a live planning workshop

WELCOME & WARM-UP

ICEBREAKER ACTIVITY

If you had €50,000 to fund ONE green project in your community, what would it be and why?



You have 5 minutes
— be real,
— be creative!

https://canva.link/jc0teja8daqo8qc

Learning Objectives

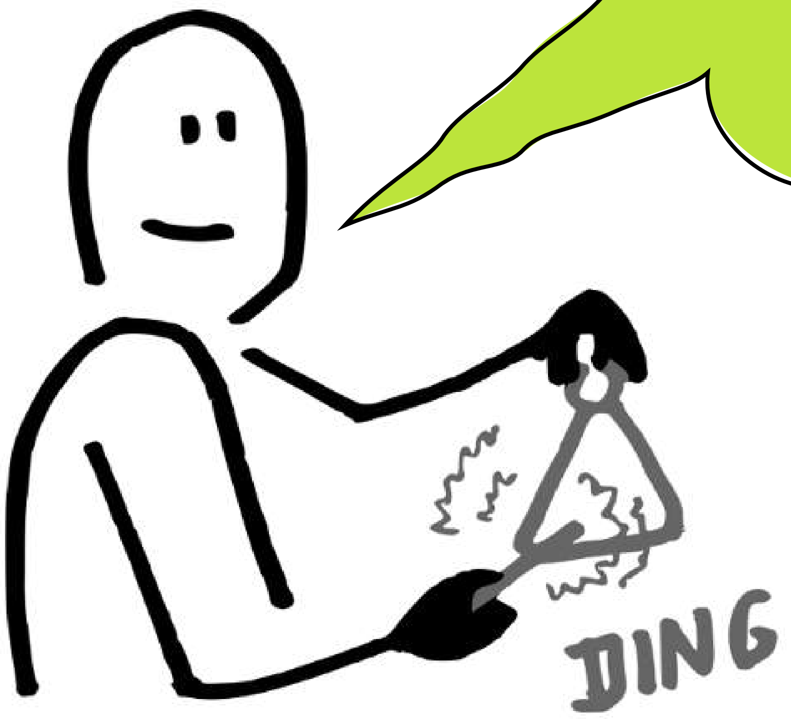
- Know the **main sources of financial opportunities** and incentives for green and circular projects
- Scout **private and public funding** at regional, national, and EU level
- **Properly inform stakeholders** about accessible funding opportunities
- Explore **innovative and unconventional forms of fundraising** for the green transformation
- **Design, launch, and implement** fundraising programmes and initiatives (crowdfunding, green bonds, etc.)
- **Monitor** digital platforms and **analyse** incentive eligibility requirements

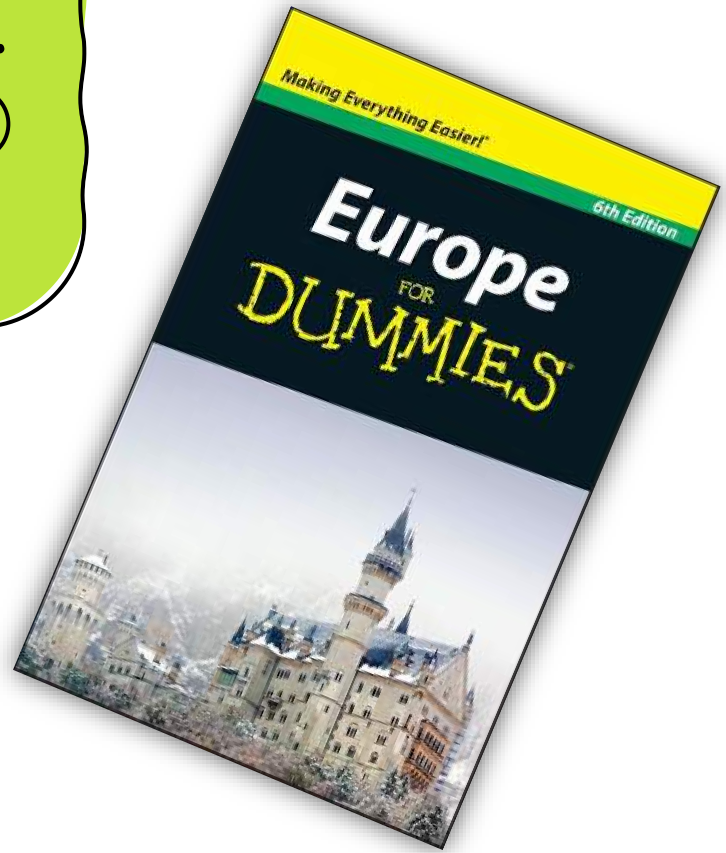
PART 1

The Funding Landscape

Understanding where the money is - and how to access it

Let's begin with a short video about the EU Budget Explained... for dummies ☺






EU BUDGET
EXPLAINED

Why Does Fundraising Matter?

€54 bn

Estimated EU public funding shortfall after the Recovery and Resilience Facility expires (ECB, 2025)

The Challenge

- Private sector must finance most green investments
- Traditional funding alone is insufficient
- Green Innovation Managers need fundraising skills

"You can't fund a 21st-century mission with 20th-century methods."

The green transition demands creative, diversified, and strategic fundraising.

The Income Spectrum

From asking to earning — understanding how income flows

ASKING → **EARNING**

Gift Economy

Donor relationship

Philanthropic giving, voluntary donations, unrestricted income for charitable aims.

Grant Funding

Funder relationship

Restricted funding for specified outputs. Funder monitors and has clear expectations.

Structured Market

Purchaser relationship

Contracts for goods/services with third-party purchasers via competitive tendering.

Open Market

Customer relationship

Trading and enterprise: selling products, services, training. Unrestricted surplus income.

Source: NCVO Sustainable Funding Project — Income Spectrum

Sustainable Income: Three Key Principles

Stable

A mixture of income streams ensures that if one diminishes, it doesn't threaten overall viability. Predictability enables longer-term planning.

Suitable

Understanding what each funding option can offer and ensuring a good match between your objectives and the type of funding you seek.

Sufficient

Understanding your costs properly allows you to make informed decisions about accepting contracts or undertaking project work.

Income Stream: Gifts & Donations

1

What Are They?

- Philanthropic giving and voluntary donations
- Typically unrestricted - the donor trusts the organisation
- Includes individual giving, corporate philanthropy, legacies, community fundraising
- Gift Aid can enhance the value in some countries

Digital Giving Today

- One-click donation pages (PayPal, Donorbox, Stripe)
- Recurring monthly support models
- Mobile-friendly is essential - most donate from phones
- Story-driven: emotional connection drives giving
- Transparency and impact reporting build trust

Income Stream: Grant Funding

How Grants Work

- Restricted funding for specified outputs/outcomes
- Application process with clear expectations
- Funder monitors how the grant is used
- Sources: trusts, foundations, public sector, EU programmes, Lottery
- Usually project-specific with defined timelines

Key Tips for Green Grants

- Align your project with the funder's priorities
- Be specific about measurable environmental outcomes
- Show community impact and stakeholder engagement
- Plan for sustainability beyond the grant period
- Budget realistically - include full costs

Income Stream: Contracts & Open Market

3

Structured Market (Contracts)

Payment for goods/services via competitive tendering with public, private, or voluntary sector purchasers. Contract management throughout to verify objectives are met.

Open Market (Trading)

Selling products or services directly to customers: training, consultancy, publications, retail. Can further the mission or be purely profit-generating. Surplus is unrestricted.

Key Insight for Green Innovation Managers

- *As you move from asking to earning, expectations regarding what is received in return increase. The key to sustainability is knowing which streams are right for YOUR organisation and developing the capacity to manage them*

ACTIVITY #1

Do You Need to Diversify?

Using the Income Spectrum, reflect on your organisation or community:

- How many funding providers do you have in each income stream?
- How long will your different income streams last?
- What proportion of your total income comes from each stream?
- What is the potential growth of each stream (low/medium/high)?
- Which streams are you NOT using at all, and why?

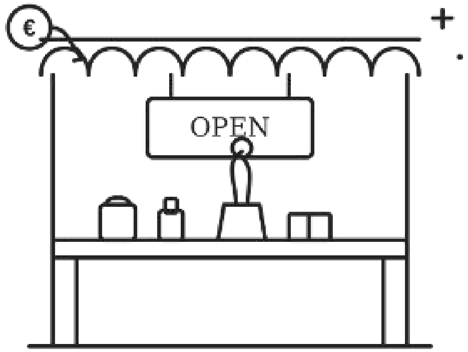
8 min individual + 5 min sharing

The Income Spectrum

Gift Economy

Grant Funding

Structured Market



Open Market

1 Gift Economy

Donor relationship

Philanthropic giving, voluntary donations, unrestricted income for charitable aims.

2 Grant Funding

Funder relationship

Restricted funding for specified outputs. Funder monitors and has clear expectations.

3 Structured Market

Purchaser relationship

Contracts for goods/services with third-party purchasers via competitive tendering.

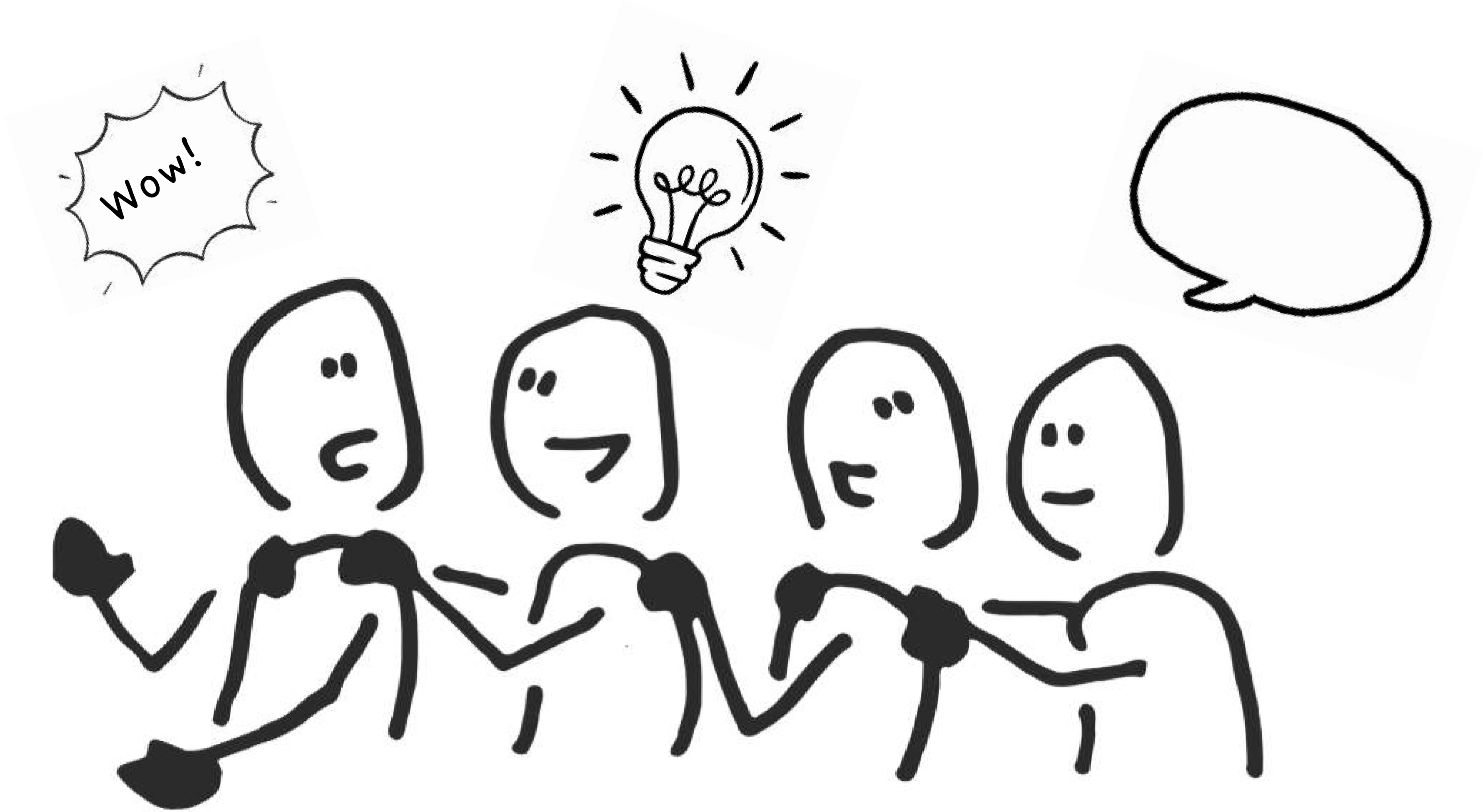
4 Open Market

Customer relationship

Trading and enterprise: selling products, services, training. Unrestricted surplus income.

Source: NCVO Sustainable Funding Project — Income Spectrum

LET'S SHARE!



The Income Exploration Tool

Before pursuing a new income stream, assess its impact across 4 dimensions:

Impact on Activities

New services? Products? Location changes? Activity level?

Impact on Beneficiaries

Community need? Partners' response? Market? Funder restrictions?

Impact on Resources

Right people? Skills? Finance arrangements? Accessible space?

Impact on Organisation

Legal structure? Governance? Mission fit? Management?

Source: NCVO Income Exploration Tool

PART 2

EU & Public Funding Programmes

Scouting opportunities at regional, national, and European level

EU Funding for the Green Transition

The European Union offers some of the world's most ambitious green funding instruments.

LIFE Programme

€5.4 bn 2021–2027

EU's dedicated instrument for environment and climate action. Supports circular economy, nature protection, clean energy. €601.5M available for 2026 calls.

Horizon Europe

€4.9 bn 2026–2027 WP

Research and innovation funding with strong climate action commitment. Includes Clean Industrial Deal Call and EU Missions on climate adaptation.

NextGenerationEU

€650 bn 2021–2026

Largest joint EU investment initiative. Recovery and Resilience Facility covers green projects in agriculture, e-mobility, hydrogen, circular economy.

LIFE Programme: Deep Dive

What LIFE Funds

- Nature and biodiversity restoration
- Circular economy and quality of life
- Zero pollution initiatives
- Energy efficiency and renewable energy
- Climate change mitigation and adaptation
- Environmental governance projects
- Green and clean technology acceleration

€601.5M

available for
2026 calls

6,500+

How to Apply

Visit the CINEA website for open calls. Standard Action Project grants range from €0.7M to €2M. Technical Assistance grants also available for capacity building.

The EU Circular Economy Act

A cornerstone of Europe's clean industrial policy and a source of new incentives

€

Public Procurement Preferences

Funding opportunities and procurement advantages for circular products, services, and infrastructure.

New Business Models

Extended Producer Responsibility, product-as-a-service, and closed-loop value chains will reshape market incentives.

Regulatory Simplification

Harmonised end-of-waste criteria, streamlined WEEE reform, and simpler cross-border rules for secondary materials.

Action point: Throughout 2026 the Commission will design concrete provisions. Evidence-based input from your living lab can shape the framework. Stay engaged!

Where to Scout Funding Opportunities

Key digital platforms and portals for monitoring incentives and eligibility

	**EU Funding & Tenders Portal** ec.europa.eu/info/funding-tenders	Central hub for all EU grants and tenders. Search by topic, programme, or deadline.
	LIFE Programme Calls cinea.ec.europa.eu	Dedicated LIFE calls for environment and climate. €601.5M available for 2026.
	Horizon Europe Participant Portal ec.europa.eu/info/horizon-europe	Research & innovation calls. Clean Industrial Deal, EU Missions, Cluster 5 (Climate/Energy).
	**EU Grants Funding Portal** eufundingportal.eu	Aggregator for circular economy and green transition calls across EU programmes.
	**Your National/Regional Portals** Varies by country	National Recovery Plans, regional ERDF funds, green innovation vouchers, state aid schemes.

ACTIVITY #2

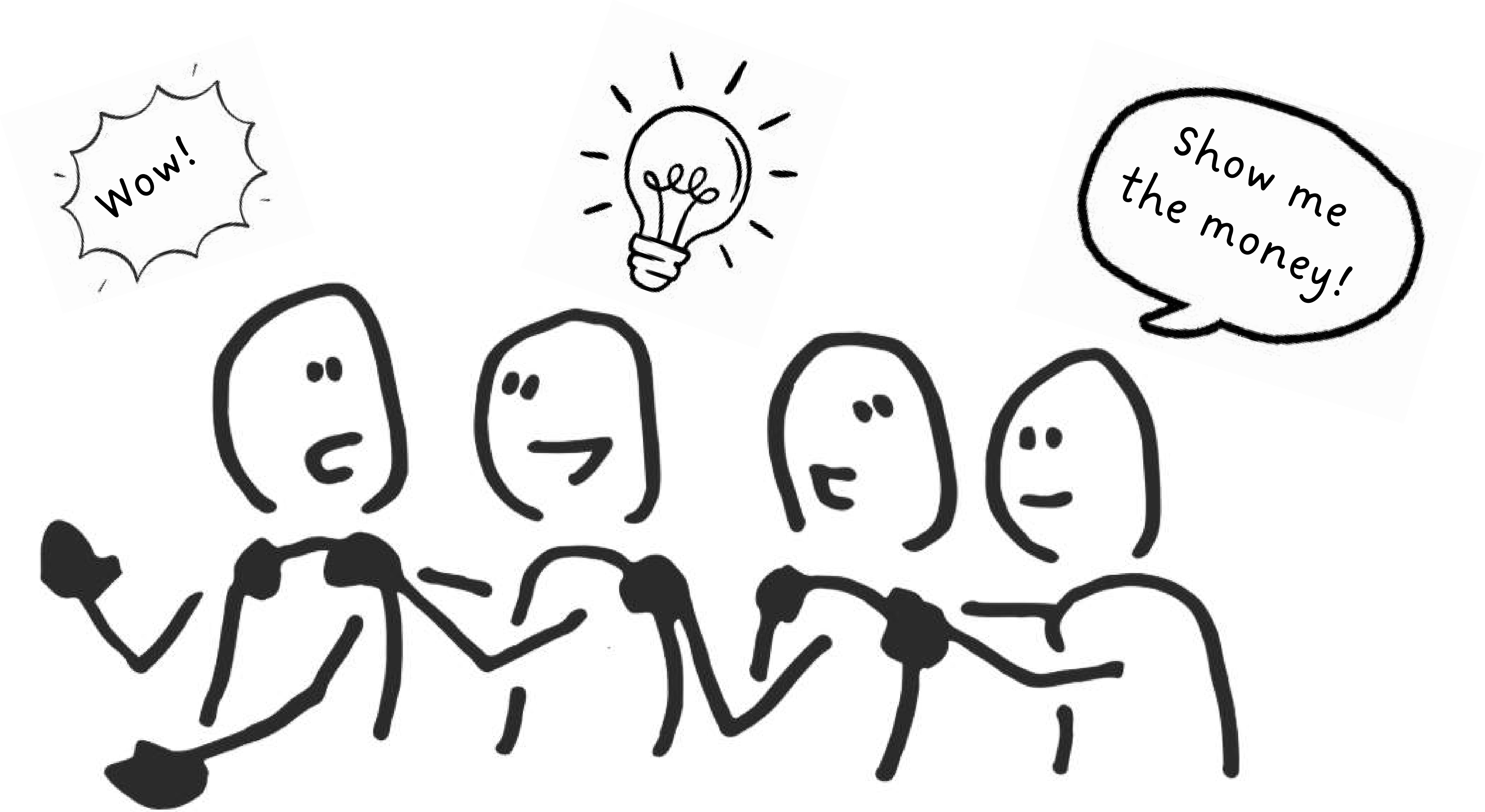
Funding Scout Challenge

In small groups (per country), you have 15 minutes to:

- Choose a green project idea (real or imagined) for your community (you can choose from the ones in the Canva)
- Visit at least TWO of the funding platforms listed on the previous slide
- Identify at least ONE relevant open call or funding programme
- Note: the programme name, deadline, budget range, and key eligibility criteria
- Prepare a 1-minute pitch for the group: *"We found funding for X from Y!"*

15 min research + 10 min sharing

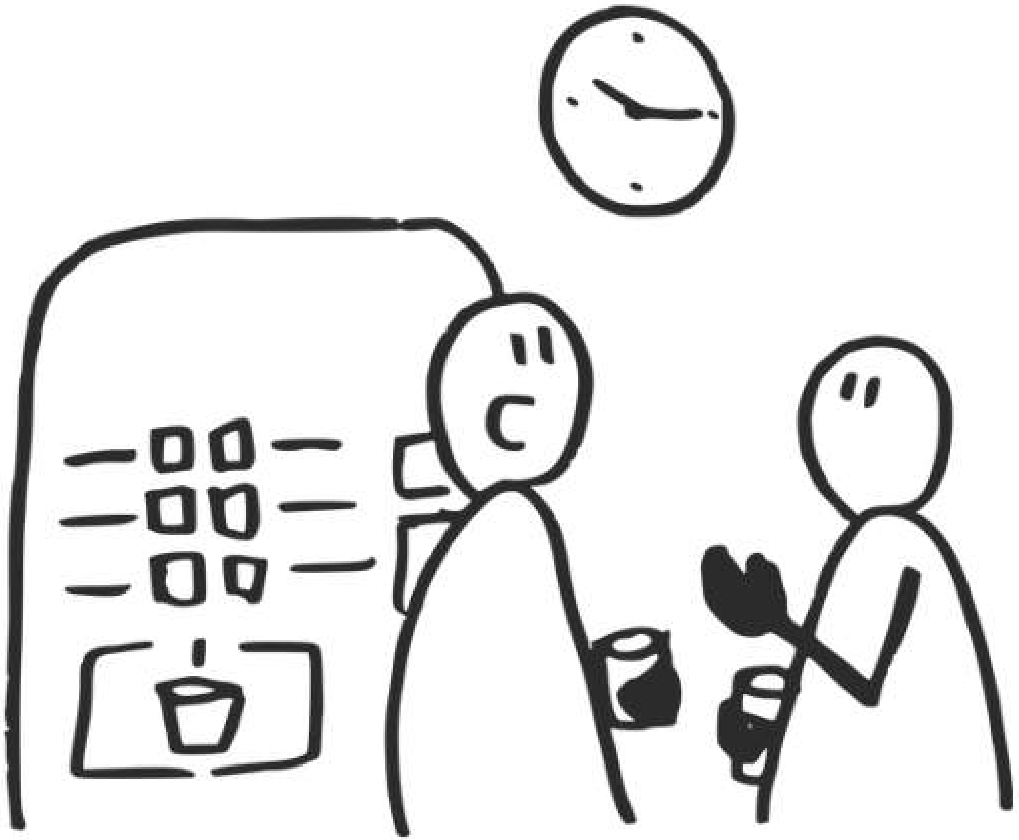
LET'S SHARE!
IT'S TIME TO LISTEN TO YOUR PITCHES!



GREEN LABS PROJECT

LET'S TAKE A BREAK

Stretch, grab a drink, and come back refreshed.



PART 3

Innovative & Unconventional Fundraising

Beyond grants — new ways to finance the green transformation

Digital Revenue Models for Green Organisations

Donations (One-Time / Recurring)

PayPal, Donorbox, Stripe. Integrated into website and social media.

Crowdfunding Campaigns

Project-specific via Kickstarter, GoFundMe, GlobalGiving. Great for storytelling.

E-commerce (Green Products)

Fair trade, eco-goods via Shopify, Ecwid. Direct mission-linked revenue.

Digital Products & Knowledge

Webinars, courses, toolkits via Gumroad, Teachable, Ko-fi.

Subscription / Membership

Monthly support for exclusive content, community, impact updates. Patreon.

"Start with what makes sense for your capacity and culture. You don't need to do everything."

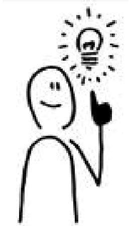
Crowdfunding for Green Projects in Europe

Why It Works for Green Projects

- Democratises finance - citizens become investors in the transition
- Combines financial support with ethical, green commitment
- Projects with tangible community benefit are more likely to succeed
- Equity-based models attract higher investment
- Local familiarity drives support - especially from government actors

European Green Crowdfunding Platforms

- Lendosphere — Renewable energy crowdfunding (France)
- Enerfip — Green energy investing from €10 (France)
- Ener2Crowd — Sustainable ESG lending, CONSOB-regulated (Italy)
- GoParity — Impact investing from €5 (Portugal)
- Genervest — Renewable energy communities (Greece, emerging)
- Donacije.rs — Nonprofit crowdfunding incl. environment (Serbia)
- Citizenenergy —EU-funded cross-border green energy crowdfunding initiative.



"Pan-European platforms like Citizenenergy and GoParity accept projects from countries without domestic green crowdfunding platforms."

EU Green Bond Standard (EuGBS)

A gold standard for financing green technologies, energy efficiency, and sustainable infrastructure

How EU Green Bonds Work

- 85% of proceeds must align with the EU Taxonomy (green projects)
- Up to 15% flexibility for activities meeting but not officially covered by taxonomy
- Independent external review required (ESMA registration from June 2026)
- Reduces greenwashing risk which boosts investor confidence
- Voluntary standard but carries the official 'European Green Bond' label

EU Green Bond Standard (EuGBS)

A gold standard for financing green technologies, energy efficiency, and sustainable infrastructure

CASE STUDY

A2A S.p.A. (Italy)

In January 2025, A2A issued the first-ever EuGBS-aligned corporate bond: €500M with 10-year maturity. Demand surged to €2.2 billion — roughly 4.4x oversubscribed. This energy transition and circular economy company proved that green bonds attract massive investor confidence.

*A major Italian multi-utility company headquartered in **Brescia** and **Milan**, Italy. It is the **second-largest electricity generator** in Italy by installed capacity and is **publicly traded on the Borsa Italiana** Formed in 2008 through the merger of municipal companies from Milan and Brescia, A2A brands itself as a "Life Company" focused on the ecological transition and circular economy.*

https://www.gruppoa2a.it/

Social Investment & Impact Financing

Social Investment

Loans, bonds, capital, and equity specifically designed to create social impact while providing returns. Blended finance models combine grants with repayable finance.

Impact Investing

Investors seek measurable social and environmental impact alongside financial return. Growing rapidly across Europe. Platforms like LITA.co and GoParity specialise in this.

Revenue vs Funding

Resilient organisations don't rely on just one. Contributed revenues (grants, donations) + earned revenue (sales) + one-off funding (grants, debt, equity for transition). Digitalisation makes it easier to grow both.

Think in Minimum Viable Offers

You don't need a fully integrated system from day one. Start small. Test. Learn. Iterate.

→ A single donation page with a compelling story	**~ 2 hours**
→ One downloadable toolkit priced at €5	**~ 1 day**
→ A 2-week crowdfunding campaign to test interest	**~ 3 days**
→ A PayPal donate button embedded on your website	**~ 30 min**
→ A one-time paid webinar on Eventbrite for €5/ticket	**~ 1 day**

Quick Tips: *Test tools before announcing a campaign. Make sure your tool is mobile-friendly. If you don't have a website, many tools offer hosted pages you can use directly. You're not trying to go viral - you're testing what's possible.*

What Makes Digital Giving Work?

Effortless

Few clicks, mobile-friendly, no friction. If it takes too many clicks, you're losing support.

Emotional

Tell a compelling story. Connect the donation to a real person, place, or outcome.

Trustworthy

Include transparency about where money goes. Show impact data and results.

Recurring

Always give the option for monthly support. Small, regular gifts add up fast.

ACTIVITY #3

Design Your First Digital Income Stream

Step 1: Choose your model

Donation page / Crowdfunding / Digital product / Paid event / Subscription

Step 2: Map it on one page

What are you offering? | Who is your audience? | What tool/platform?
How will people find it? | How will you follow up and say thanks?

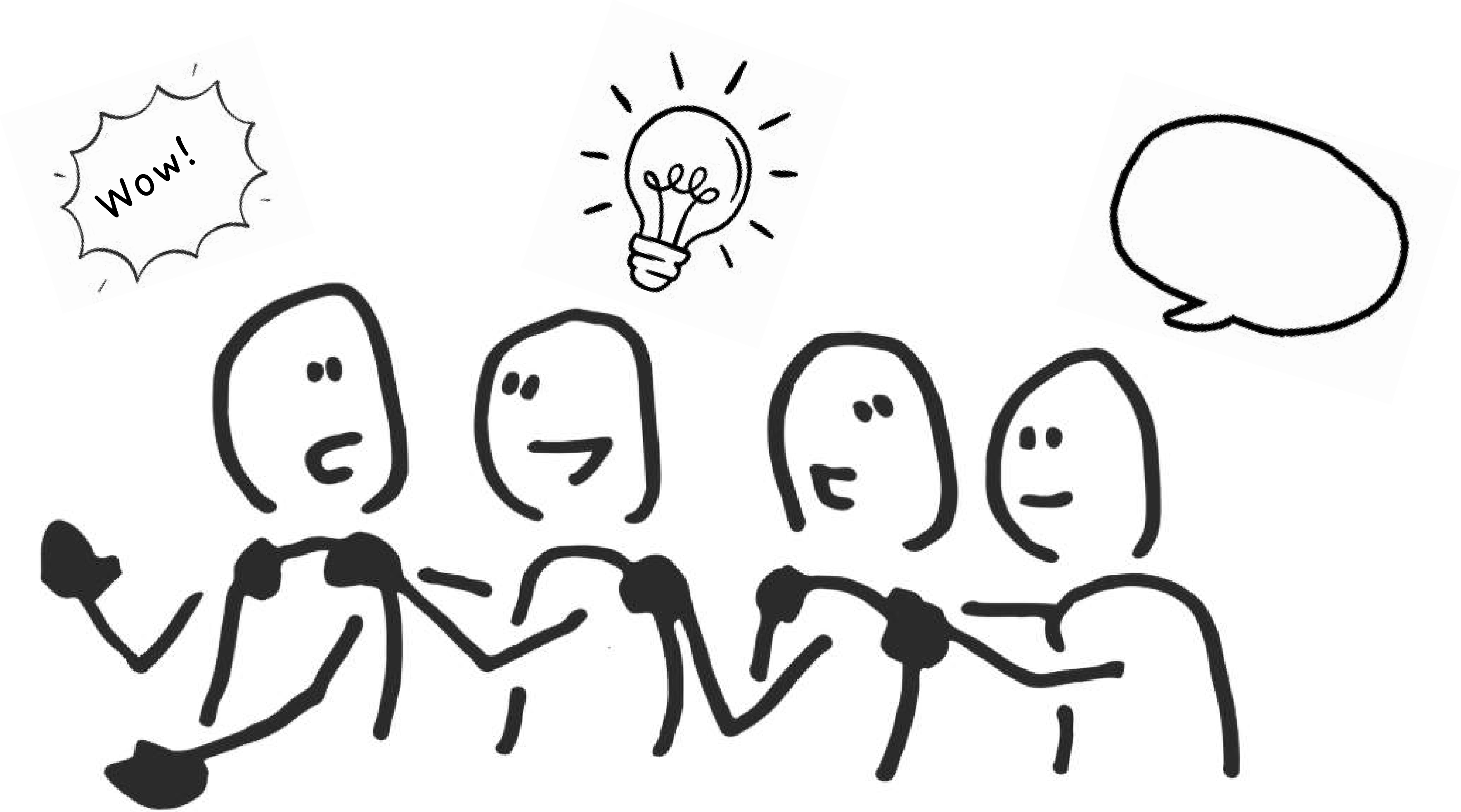
Step 3: Keep it tiny and testable

Design something so simple you could launch it in a few hours, not weeks.

Prepare to share your idea with the group!

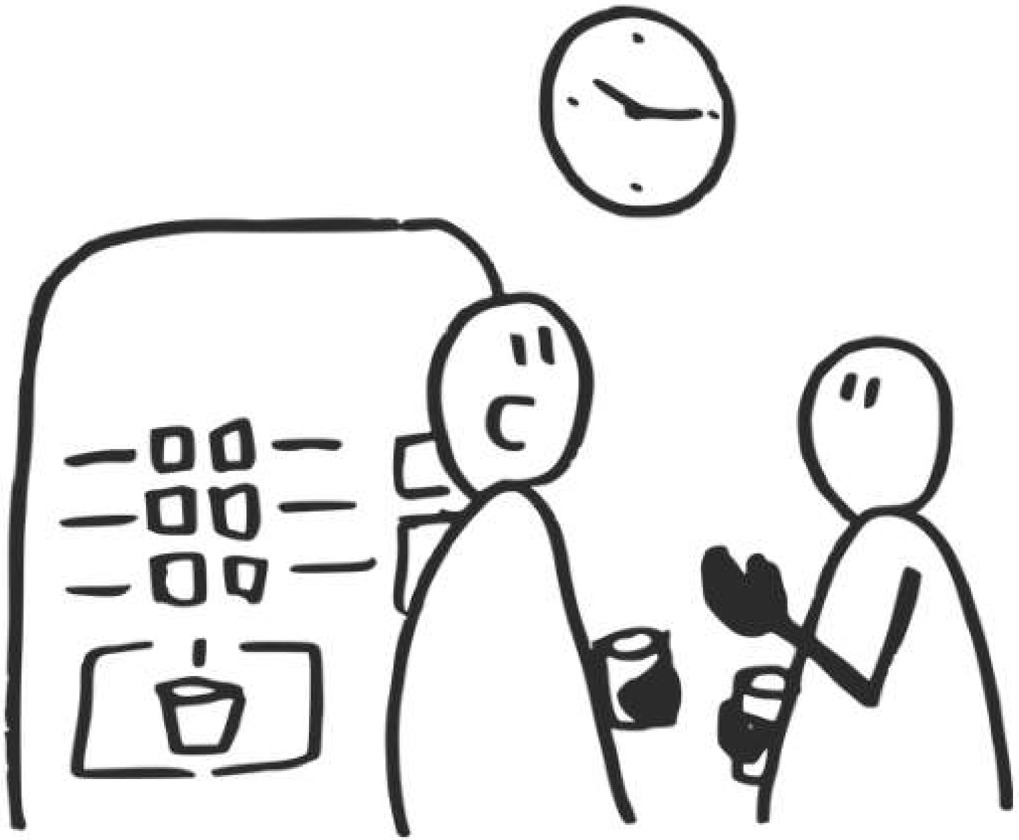
10 min design + 10 min sharing

LET'S SHARE!
SHOW US YOUR FIRST DIGITAL INCOME STREAM



LET'S TAKE A BREAK

Stretch, grab a drink, and come back refreshed.



PART 4

Assessment Tools & Action Planning

From understanding to action — building your fundraising plan

PART 4 — INTRODUCTION

Why Assess Before You Act?

> *"Too often sustainable funding is seen as simply getting better at fundraising. In fact, it should be seen as an approach."*
>
> — NCVO Sustainable Funding Project

WITHOUT ASSESSMENT

- ✗ Chasing every grant that appears
- ✗ Accepting funding that doesn't fit the mission
- ✗ Relying on one source until it disappears
- ✗ Repeating crises as if they were normal

WITH STRATEGIC ASSESSMENT

- ✓ Choosing income streams that match your mission
- ✓ Understanding vulnerability before crises hit
- ✓ Building a plan - not reacting to available money
- ✓ Raising funds strategically & rejecting what's not right

From Awareness to Action

The planning cycle that turns knowledge into a fundraising plan

1
Assess
Where are we now?
Sustainable Sun Tool
✦ TODAY

2
Explore
What could we add?
Income Exploration Tool
✦ TODAY

3
Prioritise
What fits our mission & capacity?

4
Plan
Set goals, timelines & responsibilities

5
Review
Monitor progress & adapt

WHAT GOOD LOOKS LIKE

Where Does Your Organisation Sit Today?

From the Sustainable Sun Tool — honest self-assessment is the starting point

STAGE 1–2

Reactive

"We react to situations: if a plan exists it isn't shared or understood. We may make decisions in response to available money or personal interests, rather than mission."

— Sustainable Sun Tool, Ray A: Strategic Approach

VS

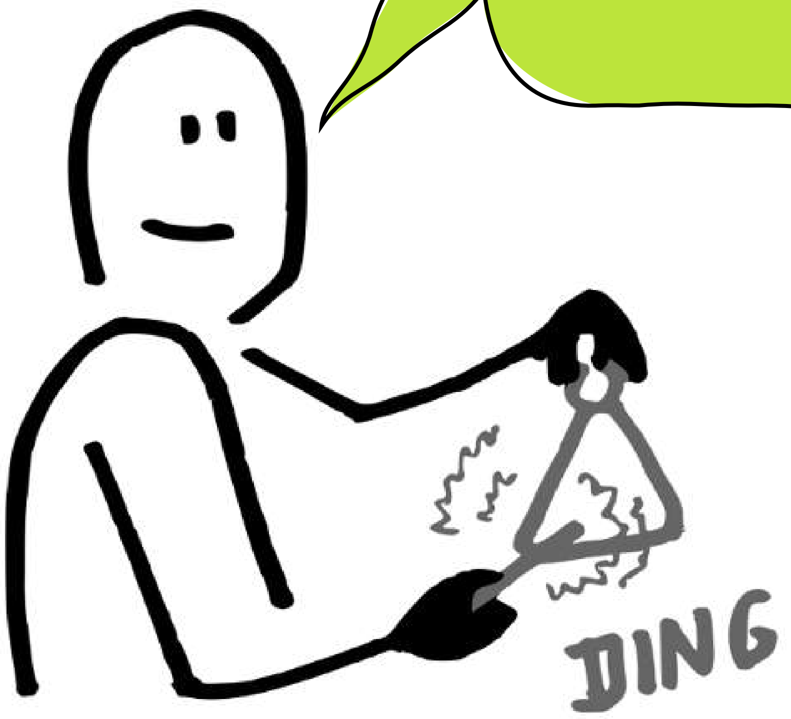
STAGE 9–10

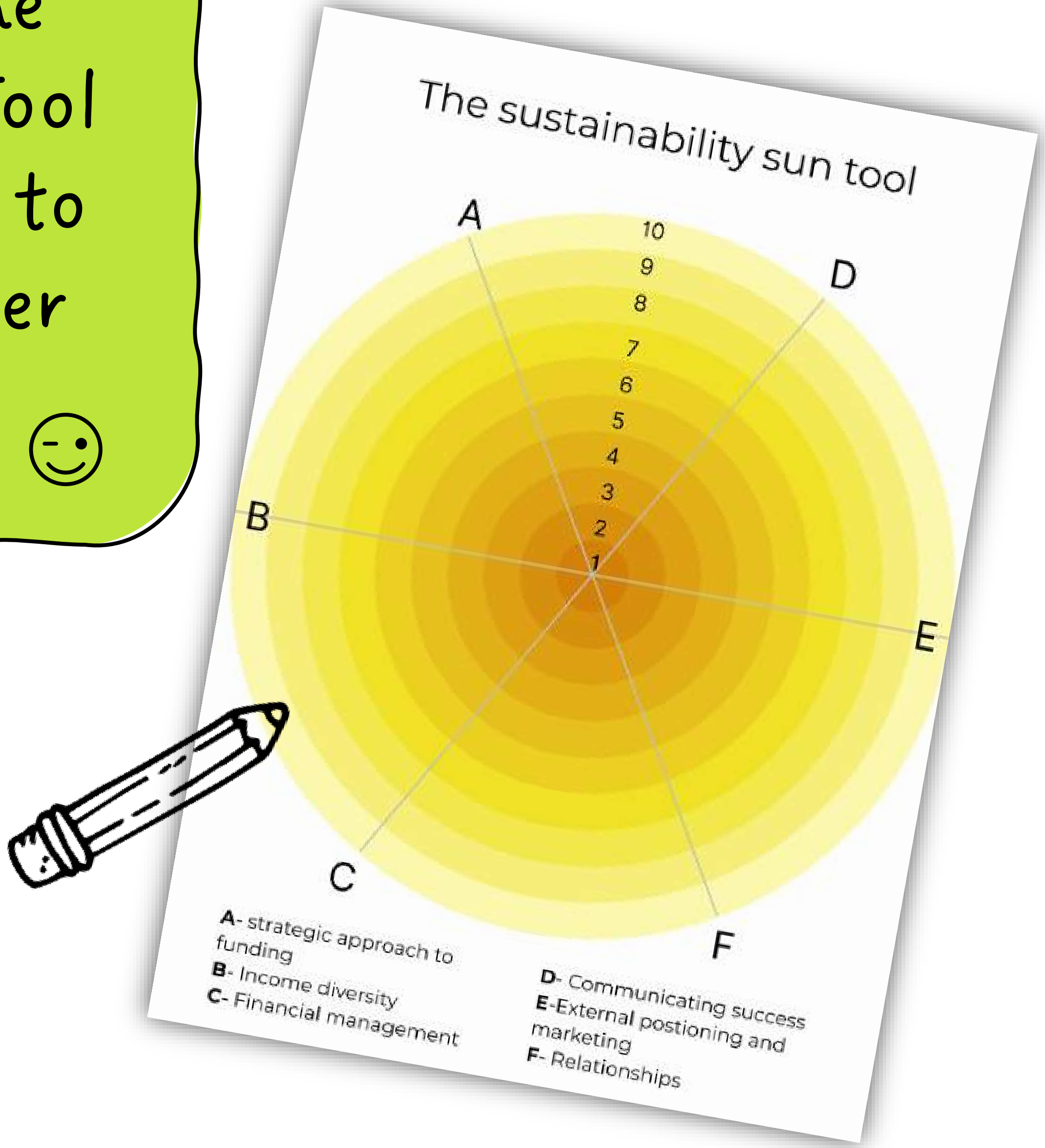
Strategic

"Our mission is reflected in our work, values and ethos, and guides how we raise funds and what we raise funds for. We plan strategically and our plans are flexible and regularly reviewed in a clear, transparent, inclusive process."

— Sustainable Sun Tool, Ray A: Strategic Approach

Let’s take out the Sustainable Sun Tool that you printed to understand better how to assess ☺





The Sustainable Sun Tool

Six rays to assess your organisation's financial sustainability (by NCVO)

A **Strategic Approach**
How you raise funds supports your mission

B **Income Diversity**
Appropriate mix of donated and earned funding

C **Financial Management**
Understanding and managing costs, income, risk

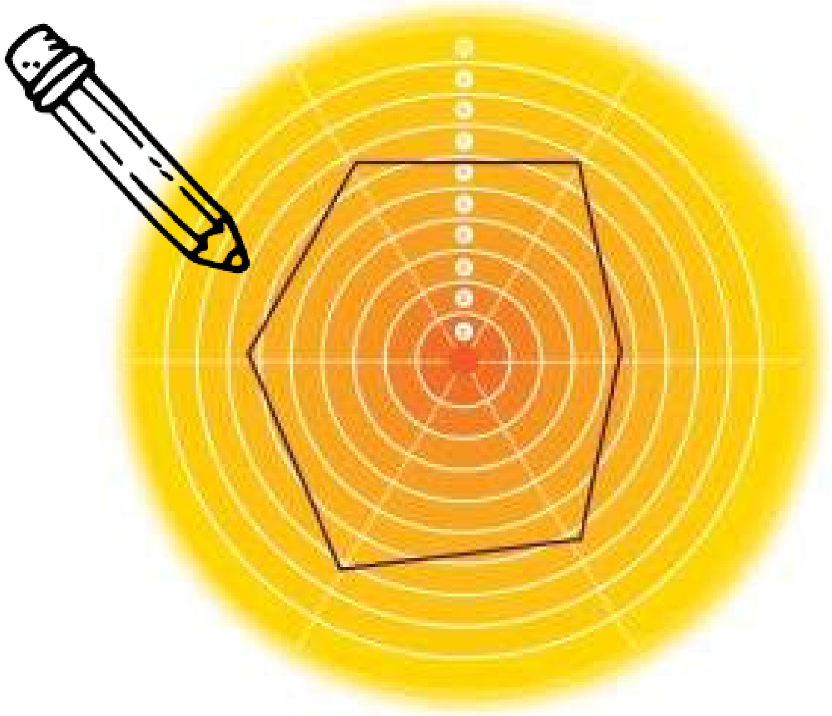
D **Communicating Success**
Showing you make a difference

E **External Positioning**
Knowing where you fit and how to tell people

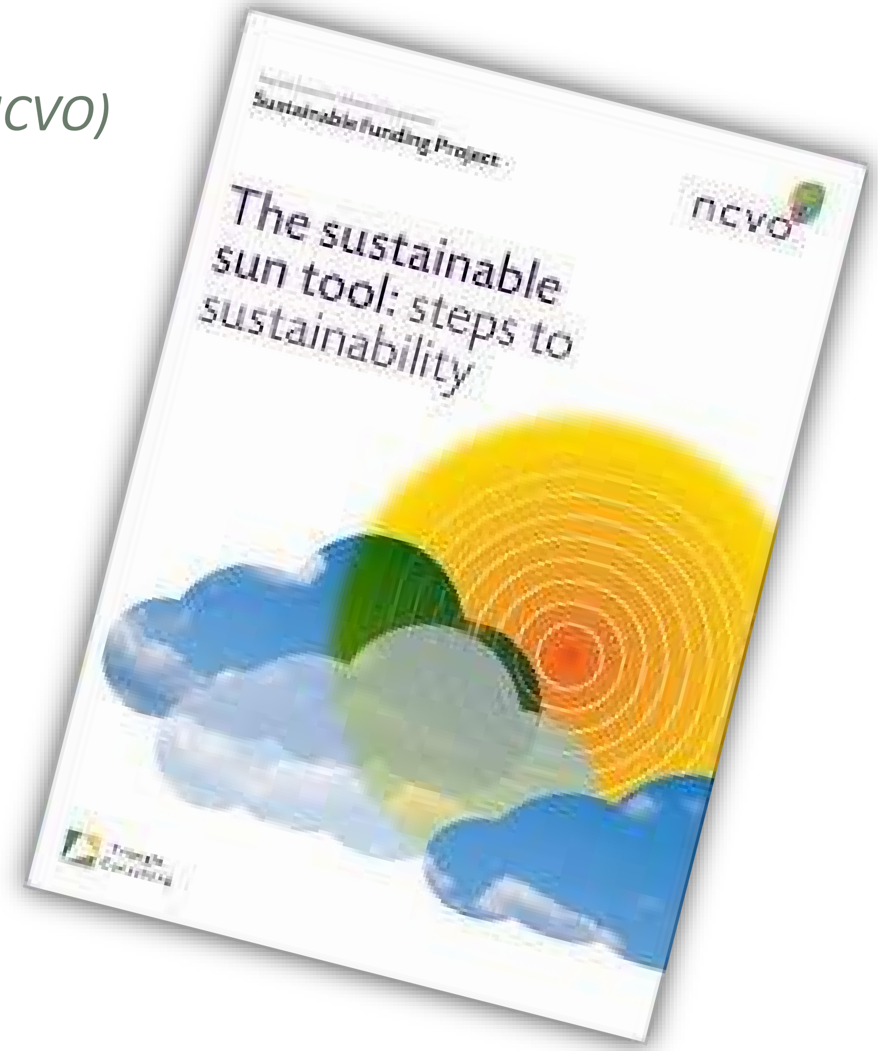
F **Relationships**
Partnerships with funders and others for your mission

The Sustainable Sun Tool

Six rays to assess your organisation's financial sustainability (NCVO)

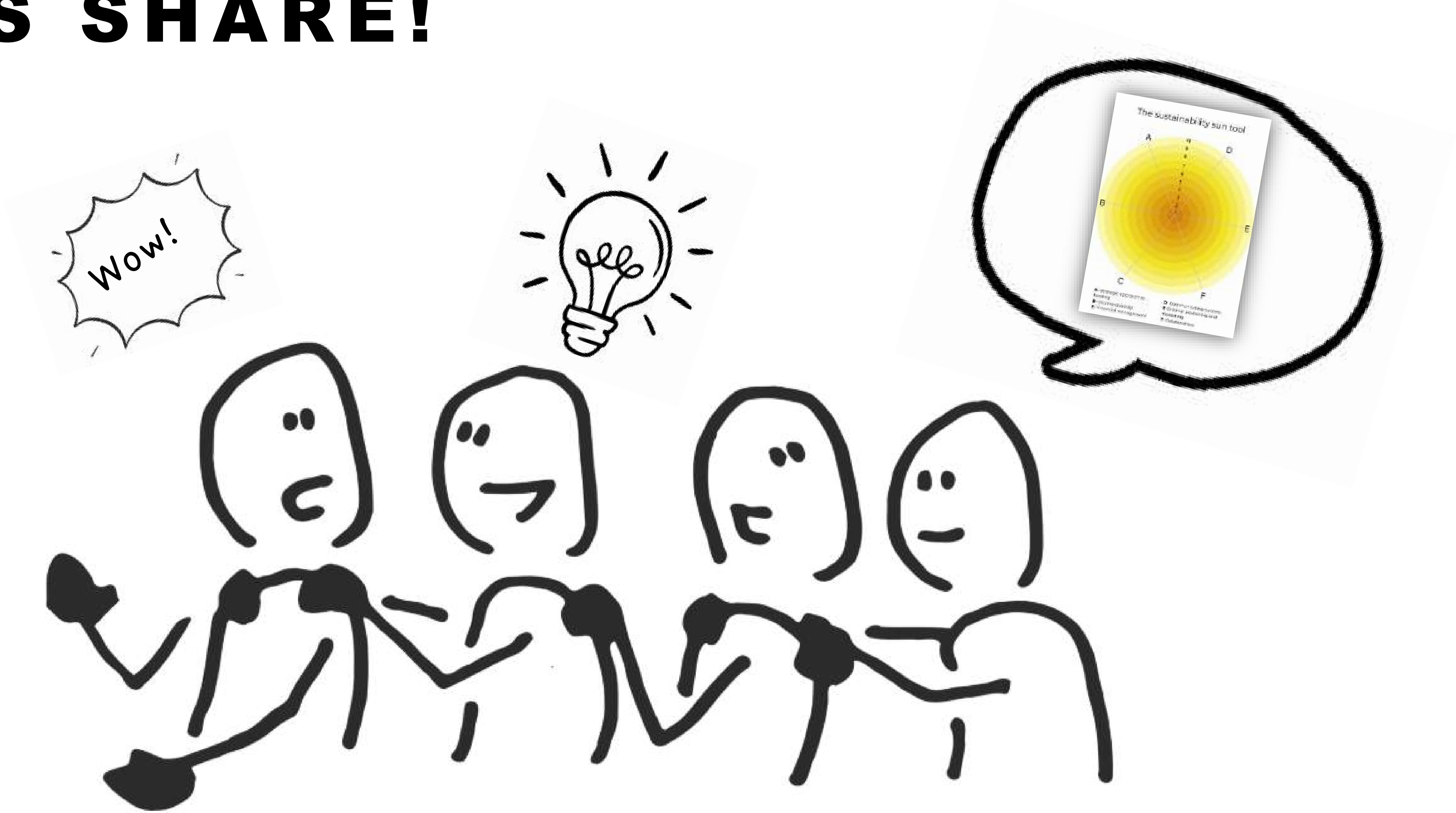


[TSS Tool]



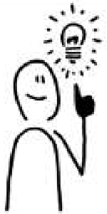
"Rate yourself 1–10 on each ray. Join the dots to see your sustainability shape. Revisit after a few months to track progress."

LET'S SHARE!



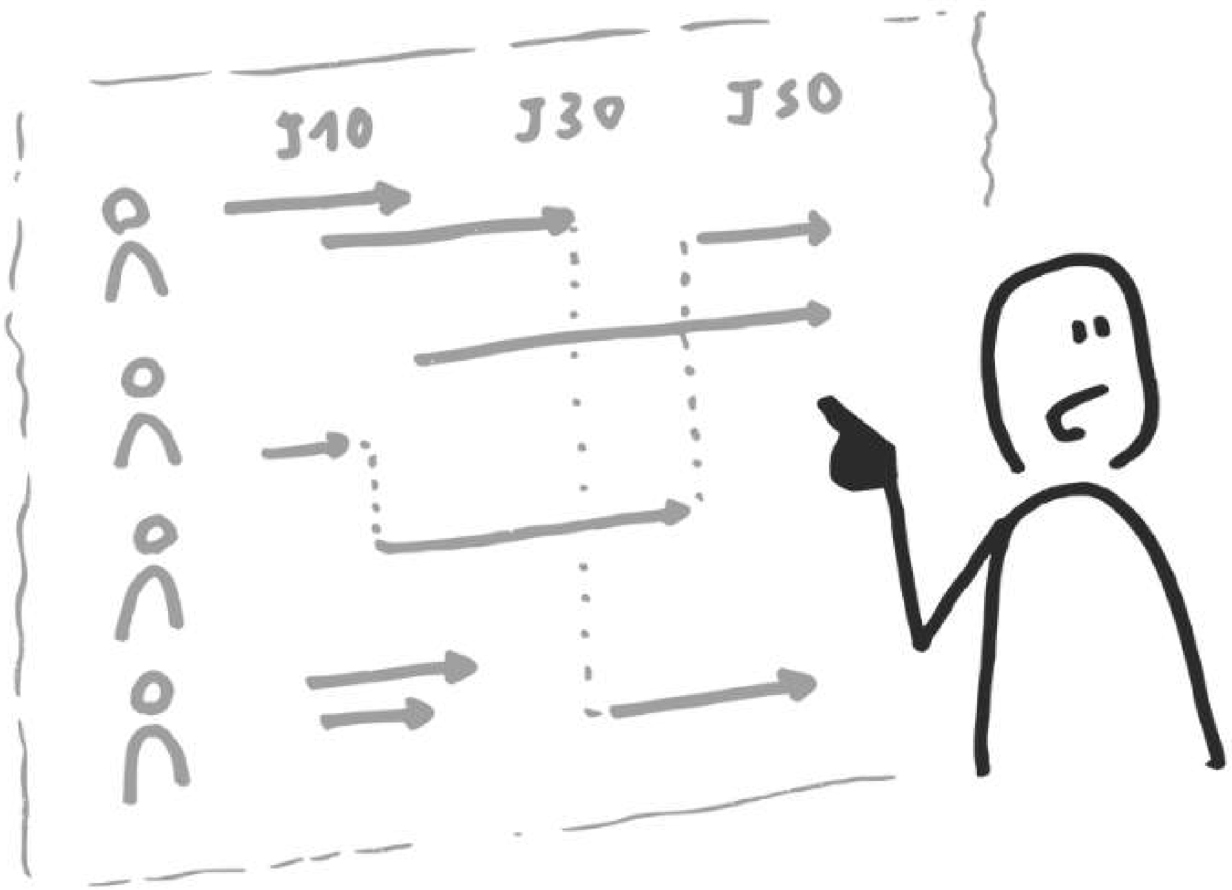
Income Exploration Tool: Ten Steps to Sustainability

1–2	**Unaware**	At risk, but people aren't aware. Not thinking about change.
3–4	**Aware**	People see the risks and want change, but may not know how.
5–6	**Making Changes**	Taking action, investing in new skills, putting new initiatives in place.
7–8	**Delivering**	New practices established. Risk analysis important for managing growth.
9–10	**Strong / Excellent**	Consistently supporting mission. Leading the field through good practice and innovation.



"Where is your organisation on this journey?
Where do you want to be in 12 months?"

LET'S ASSESS SOME STUDY CASES TOGETHER!



Riverbend Repair Café

Small community initiative · Volunteer-run · Local circular economy project

Case 1 — Riverbend Repair Café

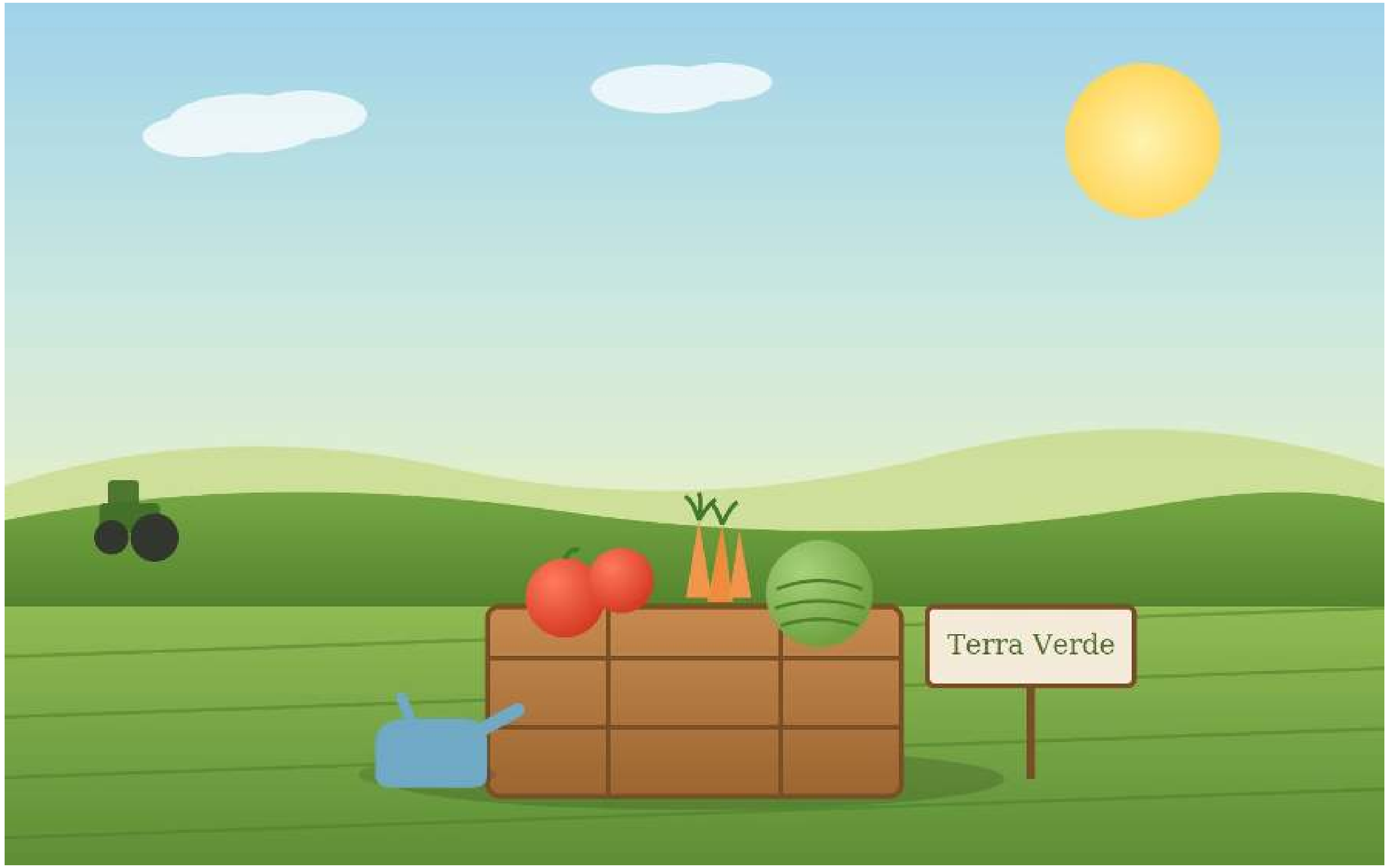
Riverbend Repair Café started two years ago when a small group of neighbours began fixing broken appliances and bikes one Saturday a month. It survives almost entirely on the small donations jar at the door and an annual grant from the local council, which nobody is sure will be renewed. There is no written plan, no one tracks costs, and the volunteers running it have started to feel burnt out and unsure whether the café can carry on much longer. They want to try a new approach.

❓ **Where would you place this organisation on each ray? What stage (1–10) overall?**

A. Strategic Approach	B. Income Diversity	C. Financial Management
D. Communicating Success	E. External Positioning	F. Relationships

Terra Verde Cooperative

Mid-size social enterprise · 18 employees · Organic farming & food distribution



Case 2 — Terra Verde Cooperative

Terra Verde began as an organic farming cooperative and now runs a small farm shop, a veg-box subscription service, and seasonal workshops. Two years ago, they realised grant income was too unpredictable and started actively building earned income instead. They have a part-time bookkeeper, a rough annual budget, and have just applied for their first LIFE Programme co-funding application. Staff feel more confident, but there is still no real risk plan if a harvest fails or a funding round is rejected.

❓ Where would you place this organisation on each ray? What stage (1–10) overall?

A. Strategic Approach	B. Income Diversity	C. Financial Management
D. Communicating Success	E. External Positioning	F. Relationships

CASE STUDY 3 — TEN STEPS TO SUSTAINABILITY

SolarKite Energy Hub

Established green-tech nonprofit · 45 staff · Renewable energy training & community solar

Case 3 — SolarKite Energy Hub

SolarKite has run community solar installations and green-skills training for eight years. Its income blends Horizon Europe research grants, EU Green Bond-aligned project finance, paid training contracts with local governments, and a growing subscription product for households monitoring their own solar output. The board reviews a rolling three-year financial plan every quarter, reserves policy is in place, and SolarKite is regularly invited to share its funding model with peer organisations across the region.

❓ **Where would you place this organisation on each ray? What stage (1–10) overall?**

A. Strategic Approach	B. Income Diversity	C. Financial Management
D. Communicating Success	E. External Positioning	F. Relationships

Integrating Financial Tools

Clarity, not complexity. When your financial systems are clear, they become a source of confidence.

Core Financial Routines

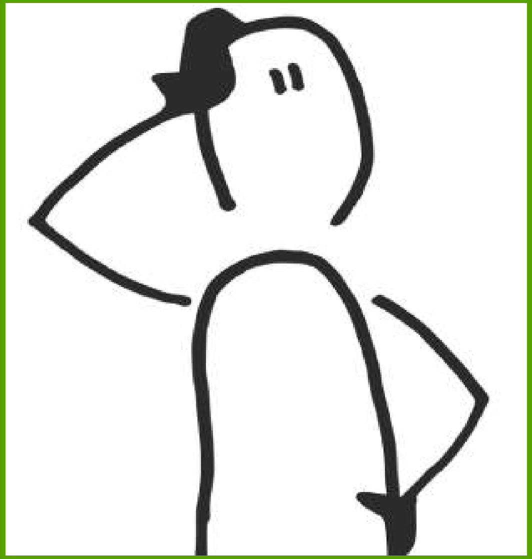
- Track income (grants, donations, sales)
- Monitor expenses (receipts, reimbursements, recurring costs)
- Send and follow up on invoices
- Create budgets and cash flow projections
- Report financials to funders or partners

Start Here

- Pick ONE financial task that happens often, takes too much time, or causes confusion
- Find a beginner-friendly tool (Wave, FreshBooks, or even a well-structured spreadsheet)
- Run a 2-week experiment using actual data
- Check: Did it save time? Reduce errors? Would you keep it?

“Tools don't solve problems, habits do. The right tool makes the habit easier.”

Let’s Reflect Together



Let’s Reflect Together

Regarding Income audit:

Which streams do you use?

Which are you missing?

Let’s Reflect Together

What is one small way
your organisation could earn income
or receive support digitally?

Let’s Reflect Together

What already exists

- audiences, content, resources -

that you could build on?

Let's Reflect Together

What's stopping you from testing something this month?

Your Fundraising Action Plan

Using everything you've learnt, you can now build a fundraising plan:

1. Current state: Where is your organisation on the sustainability journey (1–10)?
2. Income audit: Which streams do you use? Which are you missing?
3. Opportunity: Identify ONE new funding source you could pursue in the next 3 months
4. Quick win: Design ONE minimum viable offer you could launch in 2 weeks
5. Support needed: What skills, tools, or partnerships do you need?
6. First step: What is the VERY FIRST thing you will do after this training?

Key Takeaways

- Sustainable income is stable, suitable, and sufficient - not just 'more fundraising'
- Diversify across the income spectrum: gifts, grants, contracts, and open market
- EU programmes (LIFE, Horizon Europe, NextGenerationEU) offer major green funding
- The EU Circular Economy Act will create new incentives and procurement preferences
- Crowdfunding, green bonds, and digital revenue models are real, accessible alternatives
- Start with Minimum Viable Offers - test small before scaling
- Use assessment tools (Sustainable Sun, Income Explorer) to guide your strategy
- Digital fundraising is not about going big - it's about going live and building trust

Resources & Further Reading

EU Funding	EU Funding & Tenders Portal | LIFE Programme (CINEA) | Horizon Europe Work Programme 2026–2027
Crowdfunding	Lendosphere | GoParity | LITA.co | Citizenenergy | CrowdSpace directory
Green Bonds	EU Green Bond Standard (EUR-Lex) | European Commission Sustainable Finance
Assessment Tools	NCVO Income Spectrum | NCVO Income Exploration Tool | NCVO Sustainable Sun Tool
Policy	EU Circular Economy Act | EU Taxonomy | Clean Industrial Deal
Digital Fundraising	Donorbox | PayPal Giving | Gumroad | Eventbrite | Patreon

GREEN LABS

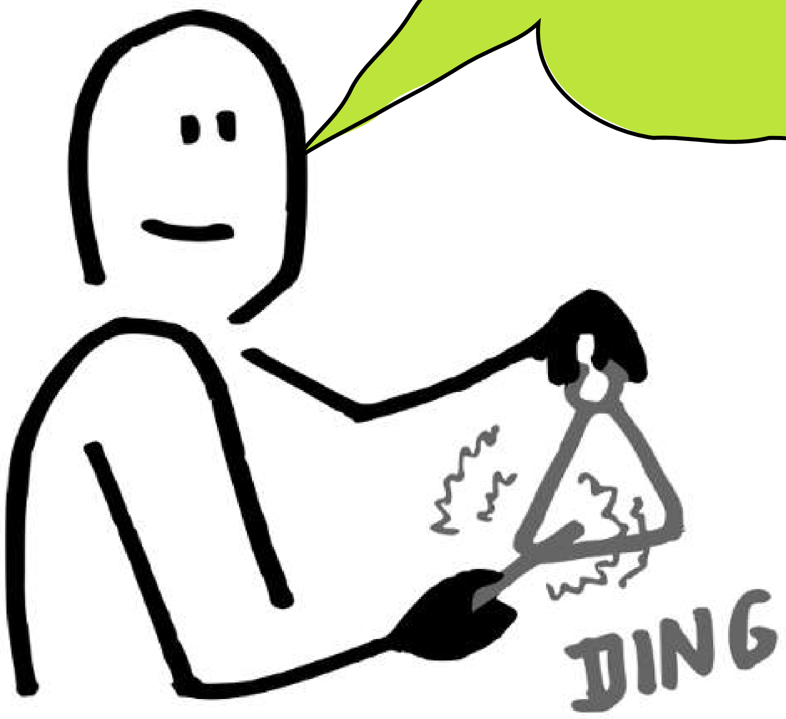
Module 10

Thank You!

"Digital fundraising is not about going big — it's about going live, learning fast, and building trust one click at a time."

Funded by the European Union — ERASMUS+ Programme
Views expressed are those of the author(s) and do not necessarily reflect those of the European Union or EACEA.

We have time for more?
Cool! Let's go through some
CASH BUDGET
and
CVP ANALYSIS



CASH FLOW

FINANCING BUDGETS

Cash Receipts Budget

Provides information about cash inflows. Considers things such as the timing of sales and collections, collection patterns, and sales that will never be collected.

FINANCING BUDGETS

Cash Disbursements Budget

Portrays spending plans based on other budgets prepared

CASH RECEIPTS BUDGET

At Breakers, all sales are on account.

The company's collection pattern is:

- **70% collected in the month of sale,**
- **25% collected in the month following the sale,**
- **5% is uncollected.**

The March 31 accounts receivable balance of $30,000 will be collected in full.

CASH RECEIPTS BUDGET

	April	May	June	Quarter
Accounts rec. - 3/31	$ 30,000			$ 30,000
April sales				
70% x $200,000	140,000			140,000
25% x $200,000		$ 50,000		50,000
May sales				
70% x $500,000		350,000		350,000
25% x $500,000			$ 125,000	125,000
June sales				
70% x $300,000			210,000	210,000
Total cash collections	$ 170,000	$ 400,000	$ 335,000	$ 905,000

CASH DISBURSEMENT BUDGET

Breakers pays $0.40 per pound for its materials.

One-half of a month’s purchases are paid for in the month of purchase; the other half is paid in the following month.

No discounts are available.

The March 31 accounts payable balance is $12,000.

CASH DISBURSEMENT BUDGET

	April	May	June	Quarter
Accounts pay. 3/31	$ 12,000			$ 12,000
April purchases				
50% x $56,000	28,000			28,000
50% x $56,000		$ 28,000		28,000
May purchases				
50% x $88,600		44,300		44,300
50% x $88,600			$ 44,300	44,300
June purchases				
50% x $56,800			28,400	28,400
Total cash payments for materials	$ 40,000	$ 72,300	$ 72,700	$ 185,000

140,000 lbs. × $.40/lb. = $56,000

CASH DISBURSEMENT BUDGET

Breakers:

- Maintains a 12% open line of credit for $75,000.
- Maintains a minimum cash balance of $30,000.
- Borrows and repays loans on the last day of the month.
- Pays a cash dividend of $25,000 in April.
- Purchases $143,700 of equipment in May and $48,300 in June paid in cash.
- Has an April 1 cash balance of $40,000.

CASH BUDGET
(COLLECTIONS AND DISBURSEMENTS)

From our Cash Receipts Budget

	April	May	June	Quarter
Beginning cash balance	$ 40,000			
Add: cash collections	170,000			
Total cash available	210,000			
Less: disbursements				
Materials	40,000			
Direct labor	24,000			
Mfg. overhead	56,000			
Selling and admin.	70,000			
Equipment purchase	-			
Dividends	25,000			
Total disbursements	215,000			
Excess (deficiency) of Cash available over disbursements	$ (5,000)			

From our Cash Disbursements Budget

From our Direct Labor Budget

From our Overhead Budget

From our Selling and Administrative Expense Budget

To maintain a cash balance of $30,000, Breakers must borrow $35,000 on its line of credit.

CASH BUDGET
(COLLECTIONS AND DISBURSEMENTS)

	April	May	June	Quarter
Beginning cash balance	$ 40,000	$ 30,000		
Add: cash collections	170,000	400,000		
Total cash available	210,000	430,000		
Less: disbursements				
Materials	40,000	72,300		
Direct labor	24,000	36,800		
Mfg. overhead	56,000	76,000		
Selling and admin.	70,000	85,000		
Equipment purchase	-	143,700		
Dividends	25,000	-		
Total disbursements	215,000	413,800		
Excess (deficiency) of Cash available over disbursements	$ (5,000)	$ 16,200		

Breakers must borrow an addition $13,800 to maintain a cash balance of $30,000.

CASH BUDGET
(COLLECTIONS AND DISBURSEMENTS)

	April	May	June	Quarter
Beginning cash balance	$ 40,000	$ 30,000	$ 30,000	
Add: cash collections	170,000	400,000	335,000	
Total cash available	210,000	430,000	365,000	
Less: disbursements				
Materials	40,000	72,300	72,700	
Direct labor	24,000	36,800	24,000	
Mfg. overhead	56,000	76,000	59,000	
Selling and admin.	70,000	85,000	75,000	
Equipment purchase	-	143,700	48,300	
Dividends	25,000	-	-	
Total disbursements	215,000	413,800	279,000	
Excess (deficiency) of Cash available over disbursements	$ (5,000)	$ 16,200	$ 86,000	

At the end of June, Breakers has enough cash to repay the $48,800 loan plus interest at 12%.

CASH BUDGET
(COLLECTIONS AND DISBURSEMENTS)

	April	May	June	Quarter
Beginning cash balance	$ 40,000	$ 30,000	$ 30,000	$ 40,000
Add: cash collections	170,000	400,000	335,000	905,000
Total cash available	210,000	430,000	365,000	945,000
Less: disbursements				
Materials	40,000	72,300	72,700	185,000
Direct labor	24,000	36,800	24,000	84,800
Mfg. overhead	56,000	76,000	59,000	191,000
Selling and admin.	70,000	85,000	75,000	230,000
Equipment purchase	-	143,700	48,300	192,000
Dividends	25,000	-	-	25,000
Total disbursements	215,000	413,800	279,000	907,800
Excess (deficiency) of Cash available over disbursements	$ (5,000)	$ 16,200	$ 86,000	$ 37,200

CASH BUDGET
(FINANCING AND REPAYMENT)

Ending cash balance for April is the beginning May balance.

	April	May	June	Quarter
Excess (deficiency) of Cash available over disbursements	$ (5,000)	$16,200	$86,000	$37,200
Financing:				
Borrowing	35,000	13,800		48,800
Repayments	-	-	(48,800)	(48,800)
Interest	-	-	(838)	(838)
Total financing	35,000	13,800	(49,638)	(838)
Ending cash balance	$ 30,000	$ 30,000	$ 36,362	$ 36,362

Interest Rate	Borrowing		Monthly Interest Rate		Months Outstanding		Interest Expense
12% / 12 = 1%	$35,000	×	1%	×	2	=	$700
12% / 12 = 1%	$13,800	×	1%	×	1	=	138
							$ 838

CVP ANALYSIS

THE BREAK-EVEN POINT

The break-even point is the point in the volume of activity where the organiSation's revenues and expenses are equal.

Sales	$ 250,000
Less: variable expenses	150,000
Contribution margin	100,000
Less: fixed expenses	100,000
Net income	$ -

EQUATION APPROACH

Sales revenue – Variable expenses – Fixed expenses = Profit

Unit sales price	×	Sales volume in units

Unit variable expense	×	Sales volume in units

($500 × X) – ($300 × X) – $80,000 = $0

($200X) – $80,000 = $0

X = 400 surf boards

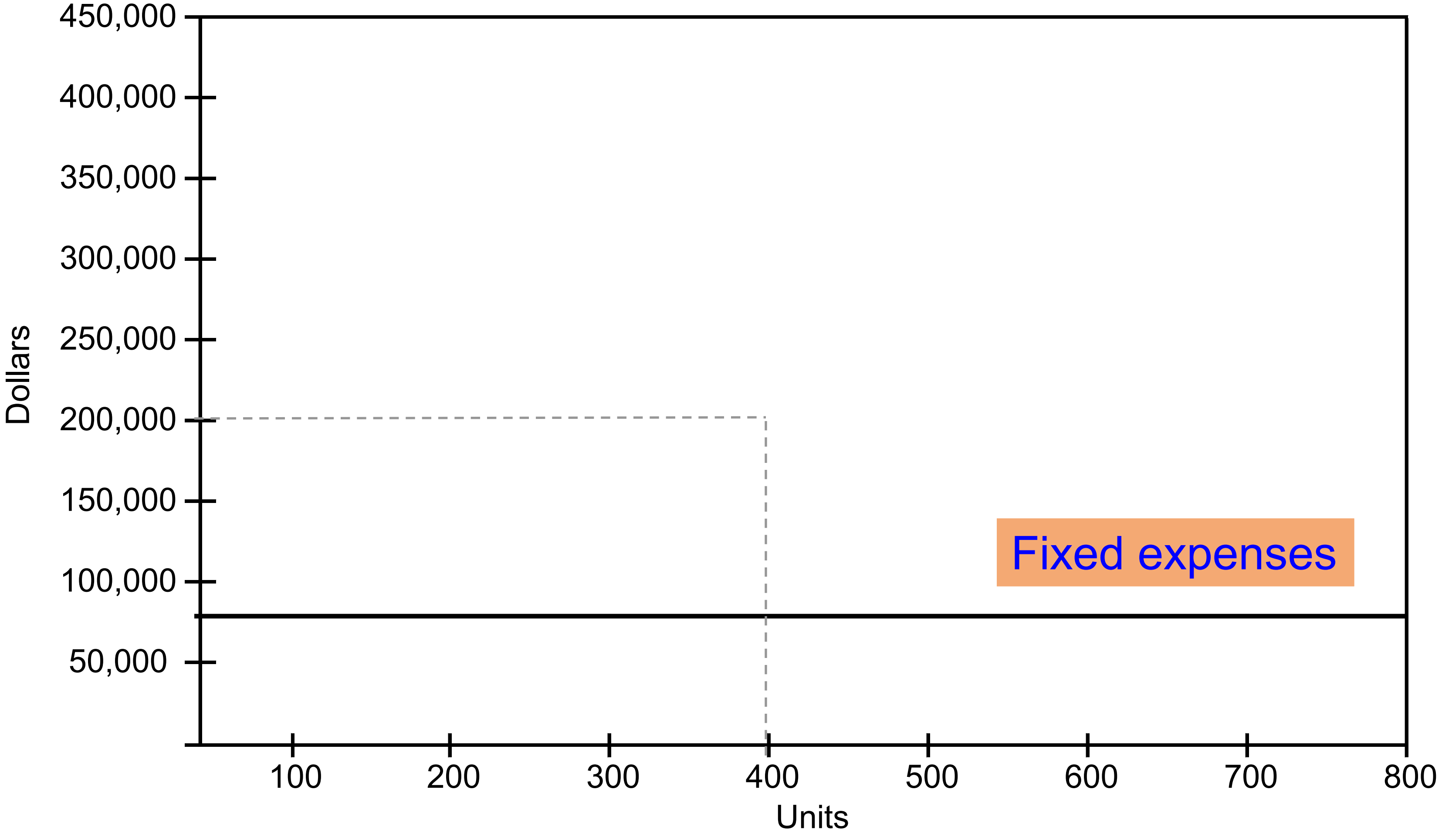
GRAPHING COST-VOLUME-PROFIT RELATIONSHIPS

Viewing CVP relationships in a graph gives managers a perspective that can be obtained in no other way.

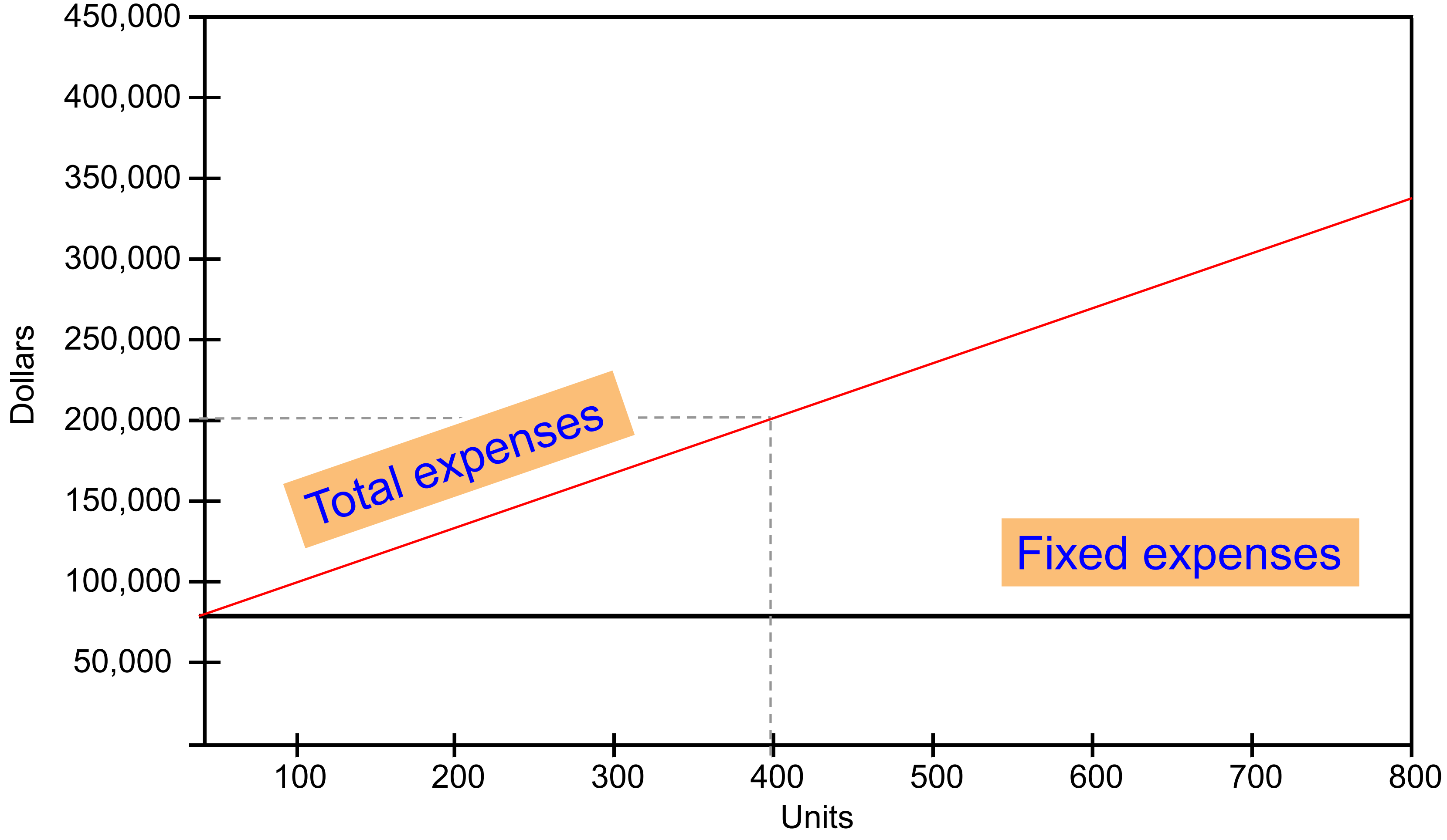
Consider the following information for Curl, Inc.:

	300 units	400 units	500 units
Sales	$ 150,000	$ 200,000	$ 250,000
Less: variable expenses	90,000	120,000	150,000
Contribution margin	$ 60,000	$ 80,000	$ 100,000
Less: fixed expenses	80,000	80,000	80,000
Net income (loss)	$ (20,000)	$ -	$ 20,000

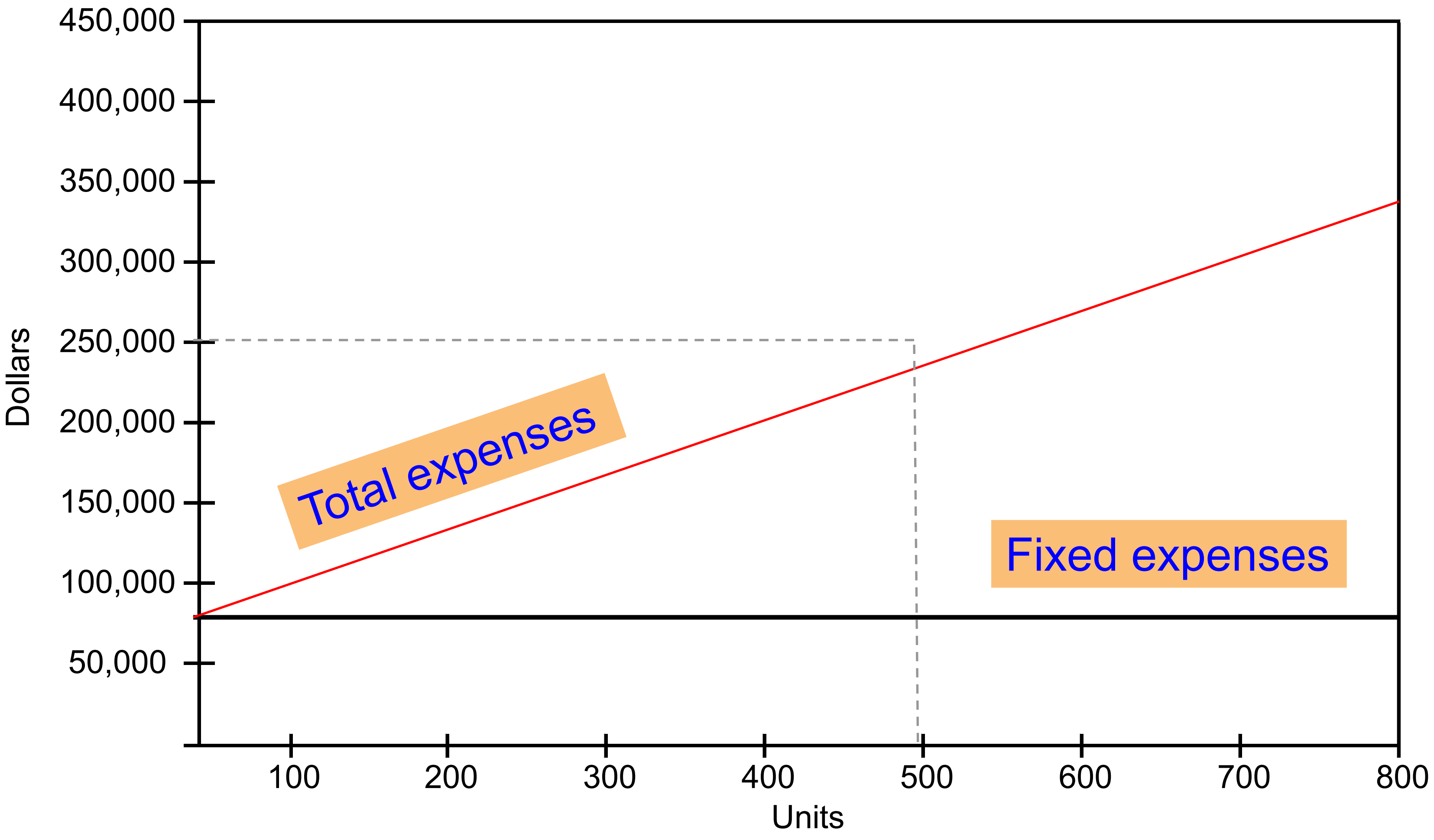
COST-VOLUME-PROFIT GRAPH



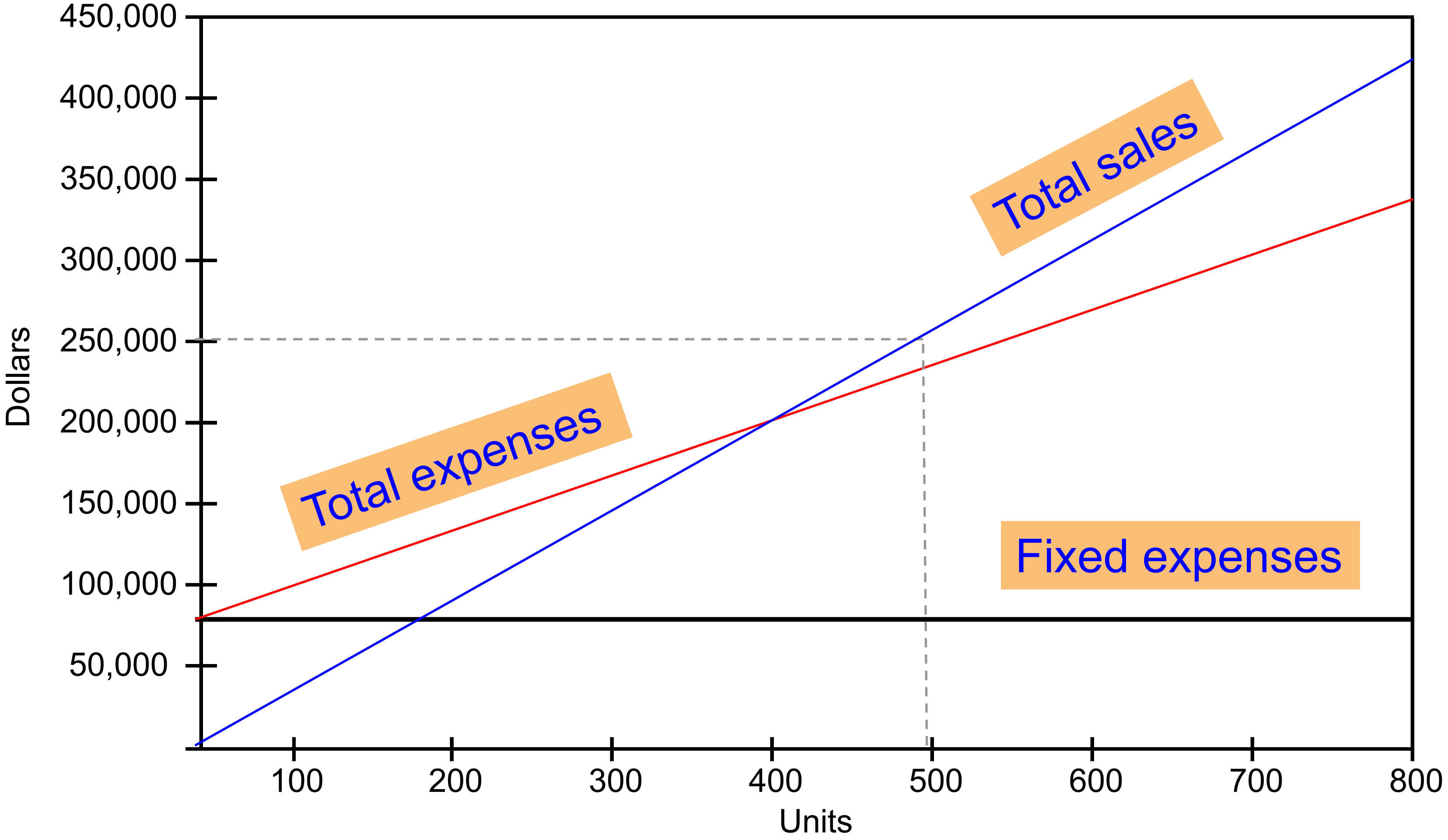
COST-VOLUME-PROFIT GRAPH



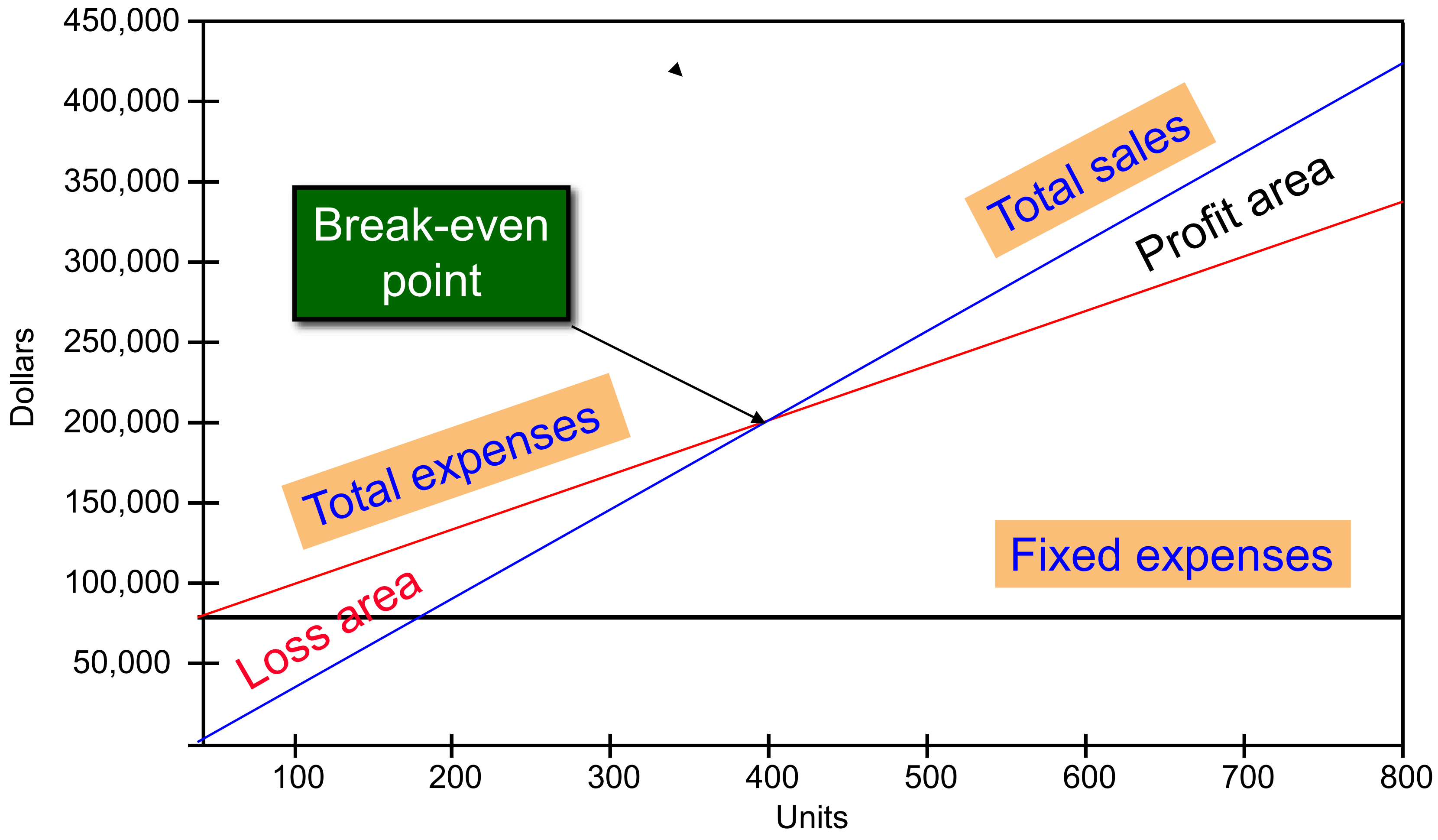
COST-VOLUME-PROFIT GRAPH



COST-VOLUME-PROFIT GRAPH

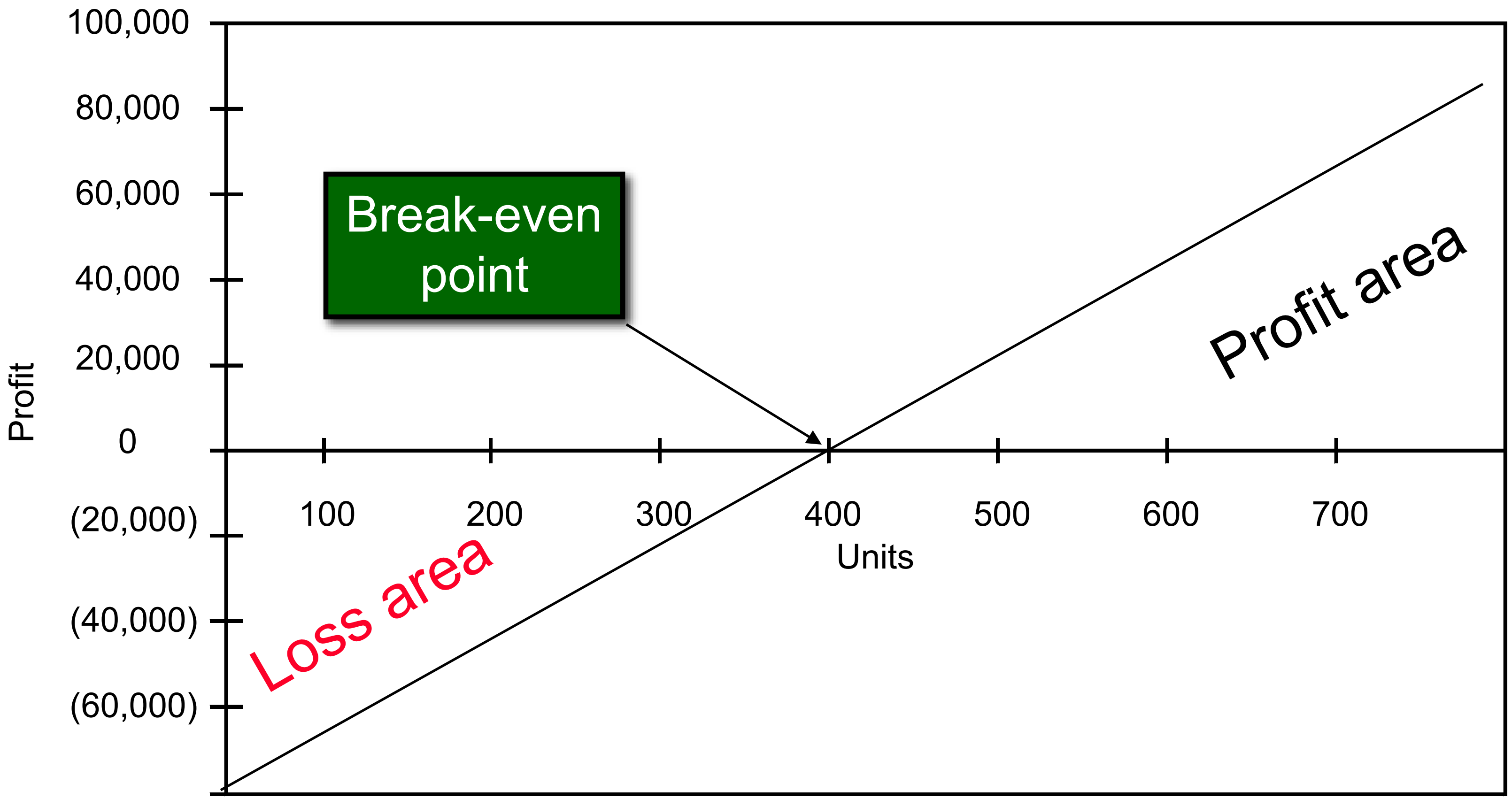


COST-VOLUME-PROFIT GRAPH



PROFIT-VOLUME GRAPH

Some managers like the profit-volume graph because it focuses on profits and volume.



APPLY CVP ANALYSIS TO DETERMINE THE EFFECT ON PROFIT OF CHANGES IN FIXED EXPENSES, VARIABLE EXPENSES, SALES PRICES, AND SALES VOLUME.

TARGET NET PROFIT

We can determine the number of surfboards that Curl must sell to earn a profit of $100,000 using the contribution margin approach.

$$\frac{\text{Fixed expenses} + \text{Target profit}}{\text{Unit contribution margin}} = \text{Units sold to earn the target profit}$$

$$\frac{\$80,000 + \$100,000}{\$200} = 900 \text{ surf boards}$$

EQUATION APPROACH

Sales revenue – Variable expenses – Fixed expenses = Profit

$$(\$500 \times X) - (\$300 \times X) - \$80{,}000 = \$100{,}000$$

$$(\$200X) = \$180{,}000$$

$$X = 900 \text{ surf boards}$$

APPLYING CVP ANALYSIS

Safety Margin

The difference between budgeted sales revenue and break-even sales revenue.

The amount by which sales can drop before losses occur.

SAFETY MARGIN

Curl, Inc. has a break-even point of $200,000 in sales. If actual sales are $250,000, the safety margin is $50,000, or 100 surf boards.

	Break-even sales 400 units	Actual sales 500 units
Sales	$ 200,000	$ 250,000
Less: variable expenses	120,000	150,000
Contribution margin	80,000	100,000
Less: fixed expenses	80,000	80,000
Net income	$ -	$ 20,000

CHANGES IN FIXED COSTS

Curl is currently selling 500 surfboards per year.

The owner believes that an increase of $10,000 in the annual advertising budget, would increase sales to 540 units.

Should the company increase the advertising budget?

CHANGES IN FIXED COSTS

	Current Sales (500 Boards)	Proposed Sales (540 Boards)
Sales	$ 250,000	$ 270,000
Less: variable expenses	150,000	162,000
Contribution margin	$ 100,000	$ 108,000
Less: fixed expenses	80,000	90,000
Net income	$ 20,000	$ 18,000

540 units × $500 per unit = $270,000

$80,000 + $10,000 advertising = $90,000

CHANGES IN FIXED COSTS

Sales will increase by $20,000, but net income **decreased** by $2,000.

	Current Sales (500 Boards)	Proposed Sales (540 Boards)
Sales	$ 250,000	$ 270,000
Less: variable expenses	150,000	162,000
Contribution margin	$ 100,000	$ 108,000
Less: fixed expenses	80,000	90,000
Net income	$ 20,000	$ 18,000

CHANGES IN UNIT CONTRIBUTION MARGIN

Because of increases in cost of raw materials, Curl's variable cost per unit has increased from \$300 to \$310 per surfboard. With no change in selling price per unit, what will be the new break-even point?

$$(\$500 \times X) - (\$310 \times X) - \$80{,}000 = \$0$$

$$X = 422 \text{ units (rounded)}$$

CHANGES IN UNIT CONTRIBUTION MARGIN

Suppose Curl, Inc. increases the price of each surfboard to $550. With no change in variable cost per unit, what will be the new break-even point?

$$(\$550 \times X) - (\$300 \times X) - \$80{,}000 = \$0$$

$$X = 320 \text{ units}$$

PREDICTING PROFIT GIVEN EXPECTED VOLUME

In the coming year, Curl's owner expects to sell 525 surfboards. The unit contribution margin is expected to be $190, and fixed costs are expected to increase to $90,000.

Total contribution	-	Fixed cost	=	Profit
($190 × 525)	–	$90,000	=	X

X = $99,750 – $90,000

X = $9,750 profit

CVP RELATIONSHIPS AND THE INCOME STATEMENT

A. Traditional Format

ACCUTIME COMPANY

Income Statement

For the Year Ended December 31, 20x1

Sales		$500,000
Less:		380,000
Gross margin		$120,000
Less: Operating expenses:		
Selling expenses	$35,000	
Administrative expenses	35,000	70,000
Net income		$50,000

CVP RELATIONSHIPS AND THE INCOME STATEMENT

B. Contribution Format

ACCUTIME COMPANY
Income Statement
For the Year Ended December 31, 20x1

Sales		$500,000
Less: Variable expenses:		
Variable manufacturing	$280,000	
Variable selling	15,000	
Variable administrative	5,000	300,000
Contribution margin		$200,000
Less: Fixed expenses:		
Fixed manufacturing	$100,000	
Fixed selling	20,000	
Fixed administrative	30,000	150,000
Net income		$50,000

COST STRUCTURE AND OPERATING LEVERAGE

The cost structure of an organisation is the relative proportion of its fixed and variable costs.

Operating leverage is:

- the extent to which an organization uses fixed costs in its cost structure.
- greatest in companies that have a high proportion of fixed costs in relation to variable costs.

MEASURING OPERATING LEVERAGE

$$\text{Operating leverage factor} = \frac{\text{Contribution margin}}{\text{Net income}}$$

	Actual sales 500 Board
Sales	$ 250,000
Less: variable expenses	150,000
Contribution margin	100,000
Less: fixed expenses	80,000
Net income	$ 20,000

$$\frac{\$100{,}000}{\$20{,}000} = 5$$

MEASURING OPERATING LEVERAGE

A measure of how a percentage change in sales will affect profits. If Curl increases its sales by 10%, what will be the percentage increase in net income?

Percent increase in sales		10%
Operating leverage factor	×	5
Percent increase in profits		50%

MEASURING OPERATING LEVERAGE

A firm with proportionately high fixed costs has relatively high operating leverage. On the other hand, a firm with high operating leverage has a relatively high break-even point.

SHORT FINAL ASSESSMENT

MODULE 10

Fundraising & Incentives for the Green Transition

10 questions • 40 points • Suggested time: 20–25 minutes

Questions 1–6: select one best answer. Questions 7–10: answer briefly.

Suggested pass mark: 28/40 (70%).

Scope: Module 10 slides 1–63 only.

Question 1

The Income Spectrum presented in Module 10 moves broadly from:

A. Public funding to EU funding

B. Asking to earning

C. Short-term to long-term funding

D. Local to international funding

Question 2

Which three principles define sustainable income in the module?

A. Stable, Suitable and Sufficient

B. Simple, Scalable and Secure

C. Strategic, Social and Sustainable

D. Stable, Social and Shared

Question 3

Why is income diversification important?

A. It guarantees profitability

B. It reduces dependence on one source and can strengthen stakeholder relationships

C. It removes the need for planning

D. Every organisation must use every possible income stream

Question 4

Which set contains the three major EU funding instruments highlighted in the assessment?

A. LIFE, Horizon Europe and NextGenerationEU / Recovery and Resilience Facility

B. Erasmus+, Creative Europe and Interreg only

C. LIFE, EEA Grants and the European Social Fund only

D. Horizon Europe, NATO and the World Bank

Question 5

What is a Minimum Viable Offer in this module?

A. A complete fundraising system launched at full scale

B. A small, quickly launchable income experiment used to test, learn and iterate

C. The minimum amount a donor must give

D. A mandatory requirement for EU grant applications

Question 6

Which list gives the four characteristics of effective digital giving?

A. Effortless, Emotional, Trustworthy and Recurring

B. Fast, Free, Formal and Flexible

C. Digital, Diverse, Direct and Decentralised

D. Emotional, Exclusive, Expensive and Recurring

Question 7

When assessing an open funding call, what FOUR pieces of information should you record?

1. ____
2. ____
3. ____
4. ____

Question 8

Name THREE rays of the Sustainable Sun Tool and explain what the tool helps an organisation assess.

Three rays: ____

____

The tool helps assess: ___________________________________

Question 9

Propose ONE digital fundraising or revenue model for a green organisation.

Model / approach: ____

Target audience: ____

Platform / format: ____

Why it fits: ____

Question 10

Mini Fundraising Strategy Challenge

A community repair and reuse initiative depends on one annual municipal grant and small donations.

Propose TWO additional income streams; ONE quickly testable Minimum Viable Offer; ONE EU/public funding route or scouting portal; and ONE specific first action.

GREEN LABS PROJECT

The GREEN LABS project aims to support and stimulate the green transition by promoting innovation and greening of VET systems through internationalization, exchange of practices, and knowledge sharing among partners, in accordance with the Osnabrück Declaration of 2020 on vocational education and training for sustainable competitiveness, social fairness and resilience.

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