FROM VISION TO 501(c)(3)

A Hawaii Nonprofit Journal

Your guided workbook for building a mission-driven organization rooted in community and aloha.

HALAI CONSULTING

Empowering Hawaii's Nonprofit Community

tori.donahue@halaiconsulting.org **571-970-8114** halaiconsulting.org

Aloha.

This journal was made for you — the dreamer, the doer, the community servant who knows something needs to change and has decided to be the one to change it.

There is no perfect time to begin. Fill in these pages honestly, return to them often, and know that Halai Consulting is rooting for you every step of the way.

Still Waters, Strong Roots.

THIS JOURNAL BELONGS TO:

ORGANIZATION NAME:

DATE I STARTED THIS JOURNEY:

MY VISION IN ONE SENTENCE:

A NOTE BEFORE YOU BEGIN

This journal was created for the dreamers, the doers, and the community servants of Hawaii. Whether you're sitting at a kitchen table with a big idea, or already running programs and finally making it official — this is your companion.

You'll find checklists, journal prompts, templates, funding strategies, and reminders of why you started when the paperwork gets heavy.

Read	Each section introduces a phase. Read before writing.
Reflect	Prompts help you get specific about your community.
Check	Checklists keep you organized and moving forward.
Return	This is a living document — revisit it as you grow.

CONTENTS

CHAPTER ONE

Planting the Seed

"Every great organization starts with a single, honest answer to one question: *Why does this need to exist?*"

Before you file a single form, you need to know why you're here. This chapter helps you clarify the problem you're solving, who you serve, and what makes your vision distinctly yours.

> ***"The clearest mission statements are written for the people you serve — not for grant reviewers."***
>
> — Tori Donahue, Halai Consulting

WHAT YOU'LL DO IN THIS CHAPTER

- Write your mission statement
- Draft your vision statement
- Name your core values
- Define the problem you're solving
- Identify who you serve

HALAI CONSULTING TIP

Bring these answers to your first board meeting. They will ground every decision you make together.

YOUR MISSION STATEMENT

A mission statement is one to two sentences that describe **what you do, who you serve, and how**. Keep it clear enough that anyone in your community can understand it.

FORMULA

[Organization name] provides/supports/empowers [who you serve] to [what outcome] through [how you do it].

DRAFT YOUR MISSION STATEMENT:

YOUR VISION STATEMENT

Your vision is your dream — what the world looks like when your work succeeds. It's future-facing, bold, and inspiring. It doesn't describe what you do; it describes what becomes possible because of you.

DRAFT YOUR VISION STATEMENT:

YOUR CORE VALUES

Name 3–5 values that guide how your organization operates. These become internal culture and show up in your grant applications.

VALUE 1

VALUE 2

VALUE 3

VALUE 4

YOUR WHY

Simon Sinek says people don't buy what you do — they buy why you do it. Funders feel the same. Write your personal why: the moment, the person, the injustice that made this work undeniable.

THE PROBLEM YOU'RE SOLVING

Great grant applications name a specific, documented problem. Be honest about what's broken and who bears the burden of it.

DESCRIBE THE PROBLEM IN YOUR COMMUNITY:

WHO IS MOST AFFECTED, AND HOW?

WHAT EVIDENCE EXISTS (DATA, STORIES, HISTORY)?

WHO YOU SERVE

Be specific. Funders want to know: ages, geography, cultural community, and what distinguishes your participants from the general public.

REFLECTION PROMPTS

Take your time with these. Come back to them. Your answers here become the foundation of every funder narrative you'll ever write.

IF YOUR ORGANIZATION DIDN'T EXIST, WHAT WOULD BE MISSING FROM YOUR COMMUNITY?

WHO IN YOUR COMMUNITY INSPIRED THIS WORK? (YOU DON'T NEED TO NAME THEM.)

WHAT DOES SUCCESS LOOK LIKE IN FIVE YEARS?

WHAT MAKES YOUR APPROACH DIFFERENT FROM WHAT ALREADY EXISTS?

DID YOU KNOW?

Hawaii Community Foundation (HCF) requires all applicants to articulate the problem statement, population served, and theory of change — language you're already drafting right here.

CHAPTER TWO

Laying the Roots

"A board isn't just a legal requirement. It's the first community you build."

The IRS requires at least three unrelated board members for a 501(c)(3). Hawaii nonprofits must also register with the DCCA. But beyond compliance, your board is a strategic asset — choose people who believe in the mission and bring skills you don't have.

WHAT YOU'LL DO IN THIS CHAPTER

- Identify your initial board members
- Define board roles and expectations
- Draft your board meeting cadence
- Complete the Board Roster template

> ***"Your board is your nonprofit's first circle of accountability. Choose people you can have hard conversations with."***
>
> — Tori Donahue, Halai Consulting

HAWAII REQUIREMENT

Hawaii requires a minimum of three directors. Avoid family members serving on the same board — the IRS views this as a conflict risk in 1023 review.

BOARD OFFICER ROLES

Role	Responsibilities
Chair / President	Leads meetings, signs documents, external spokesperson, sets board agenda
Vice Chair	Steps in for Chair, often leads a committee or program oversight
Secretary	Takes and files meeting minutes, maintains official records and notices
Treasurer	Oversees financial reports, signs off on budgets, monitors cash flow
Director (At-Large)	Votes on major decisions, participates in committees, ambassadors mission

BOARD MEMBER SKILLS MAP

Use this to identify gaps. You want a board that collectively covers these areas:

- ✓ Legal / nonprofit law
- ✓ Finance / accounting
- ✓ Fundraising / development
- ✓ Communications / marketing
- ✓ Community relationships
- ✓ Program expertise
- ✓ HR / management
- ✓ Technology / data

BOARD MEETING CADENCE

HOW OFTEN WILL YOU MEET?

FORMAT (IN-PERSON / VIRTUAL)?

QUORUM REQUIREMENT (USUALLY MAJORITY OF SEATED DIRECTORS):

BOARD ROSTER

Complete this before filing with the DCCA. You'll need names, addresses, and officer titles in your Articles of Incorporation.

Name	Role / Title	Phone / Email	Skills

BOARD EXPECTATIONS CHECKLIST

Share this with prospective board members before they commit:

- ■ Attend at least [___]% of board meetings per year
- ■ Serve on at least one committee
- ■ Make a personal financial contribution annually (any amount)
- ■ Assist with at least one fundraising or community event per year
- ■ Sign and adhere to the Conflict of Interest Policy
- ■ Maintain confidentiality of board deliberations
- ■ Represent the organization professionally in the community

▯ **REMINDER**

Once you have 3+ board members who've agreed to serve, you're ready to hold your organizational meeting and adopt your bylaws.

BYLAWS: WHAT YOU NEED TO KNOW

Bylaws are your organization's internal rulebook. They're not filed publicly, but the IRS requires you to have them when you apply for 501(c)(3) status. A basic set of bylaws should include:

- Organization name and purpose
- Board composition, terms, and removal process
- Officer titles, elections, and duties
- Meeting frequency and quorum requirements
- Fiscal year and financial oversight
- Amendment process
- Dissolution clause (required for 501(c)(3))

> ***"Your dissolution clause must state that assets go to another 501(c)(3) — not to individuals — upon closure. The IRS is firm on this."***
> — Halai Consulting

REFLECTION: SETTING THE TONE

WHAT DOES BOARD LEADERSHIP LOOK LIKE IN YOUR COMMUNITY'S CONTEXT?

ARE THERE CULTURAL PRACTICES OR PROTOCOLS YOUR BOARD SHOULD INCORPORATE?

RESOURCE

Need bylaws help? Halai Consulting offers bylaws drafting as part of our formation packages. Reach out: tori.donahue@halaiconsulting.org

CHAPTER THREE

Making It Official

"Hawaii has its own requirements on top of federal ones. Don't skip steps."

Before you go federal, you must incorporate in Hawaii. This chapter walks you through the DCCA filing process, the key language your Articles must include, and what comes next after you get your state certificate.

WHAT YOU'LL DO IN THIS CHAPTER

- File Articles of Incorporation with Hawaii DCCA
- Understand the fiscal sponsorship alternative
- Apply for your EIN with the IRS
- Open a business bank account
- Adopt a Conflict of Interest Policy

> ***"State incorporation is your birth certificate. The EIN is your Social Security number. Get both before you accept any money."***
>
> — Tori Donahue, Halai Consulting

DCCA INCORPORATION CHECKLIST

File at **hbe.ehawaii.gov** (Hawaii Business Express). Nonprofit fee: **$25**. Processing: 3–5 business days online.

- Choose your organization name — search DCCA to confirm it's available
- Designate a registered agent in Hawaii (can be a director)
- Draft Articles of Incorporation with the required 501(c)(3) language (see below)
- List all initial directors (minimum three) with addresses
- Submit and pay $25 filing fee at hbe.ehawaii.gov
- Save your Certificate of Incorporation when issued
- Hold your organizational board meeting — adopt bylaws, elect officers
- File Initial Report with DCCA (due within 60 days)

REQUIRED ARTICLES LANGUAGE

Your Articles must include these two provisions to qualify for 501(c)(3) status:

PURPOSE CLAUSE

This corporation is organized exclusively for charitable, educational, religious, or scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

DISSOLUTION CLAUSE

Upon dissolution, remaining assets shall be distributed to one or more organizations described in Section 501(c)(3) of the Internal Revenue Code, as selected by the Board of Directors.

IMPORTANT

Without these exact clauses, the IRS may reject your 1023 application. Copy this language directly into your Articles.

FISCAL SPONSORSHIP: AN ALTERNATIVE PATH

Not ready to incorporate? **Fiscal sponsorship** lets your project operate under an existing 501(c)(3) umbrella — receiving tax-deductible donations and some grants without your own determination letter.

✔ GOOD FIT IF YOU:

- Need to receive funds within weeks
- Want to test your model first
- Lack capacity for full compliance now
- Plan to apply within 1–2 years

✗ NOT IDEAL IF YOU:

- Need full brand independence
- Require federal or state grants directly
- Sponsor charges fees that strain budget
- Have conflicting missions

HAWAII FISCAL SPONSORS

Sponsor	Focus / Notes
Players Philanthropy Fund	National; strong for sports/youth programs; online application
Lahui Foundation	Hawaii-based; agricultural and community-rooted projects
Rice Street Business Associates	Oahu community programs; cultural and social services
Food Security Hawaii	Food security, farming, and food access programs
Hawaii Community Foundation	Select fiscal relationships for aligned grantees

HALAI TIP

Always read the fiscal sponsorship agreement carefully. Look for fees (typically 5–12%), who controls grant relationships, and exit terms if you later incorporate.

APPLYING FOR YOUR EIN

Your Employer Identification Number (EIN) is your organization's federal tax ID. You need it to open a bank account, hire staff, file returns, and apply for 501(c)(3) status.

- Apply free at **irs.gov/ein** — online applications available weekdays only
- Select "View Additional Types > Other Nonprofit / Tax-Exempt Organizations"
- You'll receive your EIN immediately upon online completion
- Print and save the confirmation letter (CP-575) — funders will ask for it

OPENING A BUSINESS BANK ACCOUNT

Open a dedicated account before accepting any funds. Commingling personal and organizational money is a major red flag for the IRS.

HAWAII BANKS WITH NONPROFIT ACCOUNTS:

Bank	Notes
First Hawaiian Bank	Strong nonprofit support; branches statewide
Bank of Hawaii	Community Banking division; familiar with nonprofits
Central Pacific Bank	Flexible requirements for new organizations
Hawaii Community FCU	Credit union; community-mission alignment

WHAT YOU'LL NEED TO OPEN THE ACCOUNT:

- Articles of Incorporation (DCCA Certificate)
- EIN Confirmation Letter (CP-575)
- Bylaws or board resolution authorizing account
- Two forms of ID for authorized signers

CONFLICT OF INTEREST POLICY

The IRS requires your 501(c)(3) application to include a Conflict of Interest Policy. Adopt this at your first board meeting and keep signed disclosures on file.

SAMPLE POLICY LANGUAGE

A conflict of interest arises when a board member or officer has a personal, financial, or professional interest that could influence — or appear to influence — their decisions on behalf of the organization. When such a conflict exists, the affected individual must: (1) disclose the conflict to the full board before any vote; (2) recuse themselves from discussion and voting on the matter; and (3) allow the decision to be made by a majority of disinterested directors. Disclosures must be recorded in meeting minutes.

ANNUAL DISCLOSURE LOG

Name	Potential Conflict (if any)	Date Signed

IRS NOTE

Form 1023 asks specifically: "Does your organization have a written conflict of interest policy?" You must answer yes — and be prepared to attach it.

CHAPTER FOUR

Going Federal

"The 501(c)(3) determination letter unlocks every door: federal grants, major foundations, tax-deductible donations."

Once your state incorporation is complete, you can file for federal 501(c)(3) tax-exempt status with the IRS. This is the official designation that turns your incorporation into a fully recognized charitable organization.

1023-EZ VS. FULL 1023

Form	Who Qualifies	Fee	Timeline
1023-EZ	Orgs projecting <$50K/yr in gross receipts AND total assets <$250K	$275	2–4 weeks
Full 1023	All others; more narrative required; stronger protection	$600	3–6 months

HALAI RECOMMENDATION

Even if you qualify for 1023-EZ, consider the full 1023 if you plan to pursue Hawaii Community Foundation grants — many HCF programs review your determination letter carefully, and a robust application tells a stronger story.

IRS FORM 1023 / 1023-EZ CHECKLIST

File at **pay.gov**. Both forms are submitted electronically. Gather these before you start:

- Articles of Incorporation (signed & certified by DCCA)
- Bylaws (adopted and signed by board)
- Conflict of Interest Policy (adopted by board)
- EIN (from irs.gov/ein)
- Financial data — budget for current year + 2 years projected
- Description of activities (what you do, who you serve, how often)
- Organizational chart or board roster
- Any compensation details for officers/directors
- Narrative explaining purpose and programs (Full 1023 only)
- Filing fee payment via pay.gov ($275 or $600)

AFTER APPROVAL: YOUR NEXT STEPS

- Save your Determination Letter in multiple locations — you'll need it for every grant
- Register with Hawaii AG Charities Division at ag.hawaii.gov/tax if you raise over $25,000
- Create your Candid/GuideStar profile at candid.org (free; required by HCF)
- Apply for GET exemption via Hawaii Form G-6 with DOTAX
- File annual IRS Form 990 (due 15th day of 5th month after fiscal year end)
- File Hawaii annual report with DCCA

SUCCESS STORY

Halai Consulting helped Pacific Traditions Society secure a British Museum EMKP grant — made possible in part because all compliance documents were in order before the application window opened.

REFLECTION: FEDERAL FILING

WILL YOU FILE 1023-EZ OR THE FULL 1023? WHY?

WHO ON YOUR TEAM WILL LEAD THE APPLICATION PROCESS?

TARGET DATE TO FILE WITH THE IRS:

NOTES ON YOUR PROGRAM DESCRIPTION (WHAT ACTIVITIES WILL YOU LIST?):

> *"Getting your 501(c)(3) isn't the finish line — it's the starting gun. The real work begins the day you open your determination letter."*
> — Tori Donahue, Halai Consulting

▯ TOOL SPOTLIGHT: 4GRANTED.APP

Once you have your determination letter, use 4granted.app — Halai Consulting's AI-powered grant management platform — to build your funding pipeline and track deadlines.

CHAPTER FIVE

Building Your Budget

"Your budget is a moral document. It shows what you actually believe in."

Funders want to know that you understand your numbers. A clear, honest budget shows financial maturity — even if your total is small. This chapter guides you through startup costs, operating budgets, and program-level budgets.

WHAT YOU'LL DO IN THIS CHAPTER

- Estimate your startup costs
- Build a first-year operating budget
- Create a simple program budget for grant applications
- Identify revenue sources to diversify your funding

> ***"Never submit a grant budget that doesn't match your programmatic narrative. Reviewers compare them."***
>
> — Tori Donahue, Halai Consulting

STARTUP COSTS WORKSHEET

Item	Estimated Cost	Funded By
DCCA filing fee	$25	
IRS 1023 / 1023-EZ fee	$275 or $600	
Attorney / filing support		
Bank account setup	$0–$100	
Website / domain		
Branding / design		
Initial program supplies		
Other: _________		
TOTAL STARTUP		

FIRST YEAR REVENUE PLAN

Revenue Source	Projected Amount
Foundation grants	
Individual donations	
Government grants	
Events / earned revenue	
In-kind contributions	
Other: _________	
TOTAL REVENUE	

OPERATING BUDGET (YEAR 1)

EXPENSES
PERSONNEL
Executive Director / Program Lead salary
Part-time / contract staff
Payroll taxes & benefits
PROGRAM COSTS
Supplies & materials
Program transportation
Participant support / stipends
OPERATIONS
Rent / office space
Utilities / internet / phone
Insurance
Accounting / bookkeeping
Software & technology
Printing / postage
Travel & conferences
Other: ________
TOTAL EXPENSES

REMINDER
Many funders require that overhead/admin costs be no more than 15–20% of total expenses. Know your ratio before you apply.

SAMPLE PROGRAM BUDGET (FOR GRANT APPLICATIONS)

When applying for a specific grant, funders often ask for a program budget showing how their dollars will be used. Build one for your primary program:

PROGRAM NAME:

Line Item	Calculation / Notes	Amount
Personnel (% of time)		
Program supplies		
Transportation		
Venue / space rental		
Equipment		
Indirect / overhead (___%)		
Other: _________		
TOTAL REQUEST		

BUDGET NARRATIVE NOTES:

 HALAI TIP

A budget narrative explains each line. "Staff salary — 0.5 FTE at $40,000/year = $20,000" is far stronger than just a number.

CHAPTER SIX

Your Program Design

"Funders fund outcomes — not activities. Know the difference."

You know what you want to do. This chapter helps you describe it in a way that funders, board members, and community partners can understand — using a logic model framework adapted for Hawaii nonprofits.

WHAT YOU'LL DO IN THIS CHAPTER

- Complete a program logic model worksheet
- Map your outcomes and how you'll measure them
- Reflect on community-centered design

> ***"The logic model isn't a grant-writing trick. It's a design tool. If you can't trace a clear line from inputs to outcomes, the program isn't ready yet."***
>
> — Tori Donahue, Halai Consulting

PROGRAM LOGIC MODEL

A logic model maps how your resources and actions lead to change. Complete one for your primary program:

PROGRAM NAME:

INPUTS

What resources do you bring? (staff, volunteers, space, funding, partners)

ACTIVITIES

What do you actually do? (workshops, services, distributions, gatherings)

OUTPUTS	OUTCOMES
What gets produced? (# served, # workshops, # meals)	*What changes? (knowledge, skills, conditions, behaviors)*

LONG-TERM IMPACT

What is the ultimate change you contribute to in your community?

HOW WILL YOU MEASURE YOUR OUTCOMES?

Funders expect measurable outcomes. For each outcome you named, list how you'll track it:

Outcome	Measurement Tool / Method	When Collected

WORKING WITH THE COMMUNITY YOU SERVE

The strongest Hawaii nonprofits don't just serve their community — they *listen to it, partner with it, and are accountable to it*. Consider these questions as you design your programs:

HOW WILL PEOPLE YOU SERVE HAVE A VOICE IN SHAPING YOUR PROGRAMS?

ARE THERE COMMUNITY LEADERS, ELDERS, OR CULTURAL PRACTITIONERS YOU SHOULD INVOLVE?

HOW WILL YOU KNOW WHEN THE COMMUNITY'S NEEDS HAVE SHIFTED?

HALAI TIP

Many Hawaii funders — especially HCF and NHFH — explicitly ask how your program involves the community in decision-making. Build this into your design from day one.

CHAPTER SEVEN

Funding the Dream

"Diversified funding isn't a nice-to-have. It's what keeps your doors open."

Grants are just one piece of the funding puzzle. This chapter introduces the full landscape of nonprofit revenue, teaches you to write stronger proposals, and helps you build a focused 90-day funding action plan.

WHAT YOU'LL DO IN THIS CHAPTER

- Map your funding streams
- Learn 6 grant writing principles
- Assess your grant readiness
- Set funding goals and build a 90-day plan

> ***"The best grant writers aren't better writers — they're better listeners. They read what the funder cares about, and they respond to that."***
>
> — Tori Donahue, Halai Consulting

YOUR FUNDING STREAMS

Healthy nonprofits don't rely on a single source. Check all streams you plan to pursue, then note your top 3 priorities for Year 1:

Stream	Examples	Year 1?
Foundation grants	HCF, Atherton, Castle Foundation	☐
Government grants	Federal, state, county programs	☐
Individual giving	Major donors, monthly givers, events	☐
Corporate sponsorship	Local businesses, naming rights	☐
Earned revenue	Fees for service, workshops, merchandise	☐
Crowdfunding	Give Big Hawaii (givebighawaii.com)	☐
In-kind contributions	Donated goods, services, volunteer time	☐

YOUR TOP 3 YEAR 1 FUNDING PRIORITIES

PRIORITY 1

____

PRIORITY 2

____

PRIORITY 3

____

▯ HAWAII GIVING DAY

Give Big Hawaii at givebighawaii.com — in partnership with Aloha United Way — is a powerful crowdfunding opportunity for Hawaii nonprofits. Mark it on your calendar each year.

6 GRANT WRITING PRINCIPLES

01

Read before you write.

Study the funder's guidelines, past grants, and stated priorities. Write to their language, not yours.

02

Lead with the community's need.

Don't open with your organization's history. Open with the problem your community is experiencing right now.

03

Be specific — never vague.

"We will serve 40 youth ages 12–18 in Haleiwa through 8 weekend sessions" beats "we will serve youth in our community."

04

Connect data to story.

Statistics show scale. Stories show meaning. Use both. One real person's experience anchors every data point.

05

Match your budget to your narrative.

Every dollar in your budget should trace back to a program activity you described. Reviewers cross-check.

06

Submit early and follow up.

Early submissions signal professionalism. A brief, gracious follow-up email after submission keeps you visible.

> *"Grant writing is not begging. It is an evidence-based argument that the funder's dollars will create the change they care about."*
>
> — Tori Donahue, Halai Consulting

GRANT READINESS CHECKLIST

- 501(c)(3) determination letter (or fiscal sponsor agreement)
- EIN and state registration current
- Candid/GuideStar profile completed at candid.org
- Most recent 990 (or 990-N) filed and on record
- Board roster with contact info
- Current operating budget (income and expenses)
- Organizational chart or leadership bio
- Clear mission, program description, and theory of change
- At least one documented outcome or success story

YOUR 90-DAY FUNDING ACTION PLAN

Month	Focus	Target Deadline
Month 1	• Complete grant readiness checklist • Research 5–8 funders that match your mission • Register on at least 2 funder portals	
Month 2	• Submit first grant application • Launch individual donor outreach (10 people) • Draft your signature story	
Month 3	• Submit second application • Follow up on Month 1 submissions • Plan a small cultivation event or social post	

CHAPTER EIGHT

Donor Cultivation

"Donors don't give to organizations. They give to people and stories they believe in."

Individual donors can be your most resilient funding stream — unrestricted, renewable, and relationship-based. This chapter introduces the cultivation cycle and gives you a tracker to manage your first 20 donors.

THE DONOR CULTIVATION CYCLE

① IDENTIFY

Who in your network believes in your mission? Family friends, community members, former colleagues.

② CULTIVATE

Invite them in. Share updates, event invites, stories. Build the relationship before the ask.

③ ASK

Make a specific, personalized ask. "Would you consider a gift of $[X] to support [specific program]?"

④ THANK & STEWARD

Thank within 48 hours. Send impact updates. Invite to events. Renewals begin the day you say mahalo.

> ***"The thank-you is as important as the ask. How you treat donors after the gift determines whether they give again."***
>
> — Tori Donahue, Halai Consulting

DONOR TRACKER

Track your first 20 prospects. Update after every touchpoint. "Stage" = Identify / Cultivate / Ask / Steward

Name	Connection	Last Contact	Stage	Gift Amt

DONOR NOTES

REMINDER

IRS rules: send a written acknowledgment for any gift of $250 or more. Include the date, amount, and a statement that no goods or services were provided (if that's true).

CHAPTER NINE

Fiscal Year Planning

"Compliance is a calendar problem as much as a paperwork problem."

Use this annual calendar to map grant deadlines, compliance filings, board meetings, and events. Hawaii-specific deadlines are noted. Adjust for your fiscal year start.

Month	Compliance / Deadlines	Program / Fundraising
January	Begin new fiscal year budgeting; review prior year 990 data	
February	W-2s / 1099s due to contractors; review board roster	
March	Mid-year board review; check grant report deadlines	
April	990 due (calendar-year orgs); Hawaii DCCA annual report	
May	AG Charities renewal (if applicable — ag.hawaii.gov/tax)	
June	Mid-year financial review; board COI disclosures renewed	
July	Give Big Hawaii planning begins; summer grant deadlines	
August	Review insurance policies; HCF fall cycle opens	
September	Castle Foundation deadline (typically early Sept); fiscal year review	
October	Give Big Hawaii (typically Oct); year-end giving launch	
November	Year-end appeal letters; Candid profile updated	
December	Year-end close; donor thank-you campaign; board meeting	

MY YEAR AT A GLANCE

Add your specific grant deadlines, events, and filing dates below:

Month	Grant Deadlines	Events / Notes
January		
February		
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		

TOOL SPOTLIGHT: 4GRANTED.APP

4granted.app by Halai Consulting tracks grant deadlines, application status, and funder relationships in one place — built specifically for Hawaii nonprofits.

CHAPTER TEN

Hawaii Tax & Compliance

"Hawaii has its own tax rules for nonprofits. They're different from federal — and many organizations miss them."

Having a federal 501(c)(3) doesn't automatically exempt you from Hawaii state taxes. This chapter covers what you actually owe, what you're exempt from, and how to stay in good standing with DCCA, DOTAX, and the AG.

QUICK OVERVIEW

Tax Type	Hawaii Rule for Nonprofits
General Excise Tax (GET)	Nonprofits pay GET unless they apply for exemption via Form G-6 with DOTAX. Exemption applies to activities that further your mission.
State Income Tax	Federal 501(c)(3) exemption recognized by Hawaii — but you must have a federal determination letter on file.
Employer Taxes	If you have employees, you must register with Hawaii DOL for unemployment insurance and DOTAX for withholding.
AG Registration	Required if your org raises more than $25,000/year or uses paid fundraisers. Register at ag.hawaii.gov/tax.

ANNUAL COMPLIANCE CHECKLIST — HAWAII

Check these off each year to stay in legal good standing:

- **IRS Form 990 / 990-EZ / 990-N:** Due 15th day of 5th month after fiscal year end (e.g., May 15 for calendar-year orgs). File at irs.gov.
- **DCCA Annual Report:** File at hbe.ehawaii.gov. Due by March 31 each year.
- **AG Charities Registration / Renewal:** Required if raising >$25K. Renew annually at ag.hawaii.gov/tax.
- **GET Exemption (Form G-6):** File once upon incorporation; keep renewal current with DOTAX.
- **Board Meeting Minutes:** Required; keep on file. The IRS can request them.
- **Conflict of Interest Disclosures:** Renewed annually, signed by each director.
- **Candid / GuideStar Profile:** Update annually at candid.org.
- **Insurance Review:** Confirm general liability, D&O, and any workers' comp is current.

MY COMPLIANCE LOG

Filing / Requirement	Due Date	Date Filed	Notes
IRS 990			
DCCA Annual Report	Mar 31		
AG Registration			
GET Renewal			
COI Disclosures			
Candid Profile			

REFLECTION: YOUR COMPLIANCE PLAN

WHO WILL BE RESPONSIBLE FOR COMPLIANCE FILINGS IN YOUR ORGANIZATION?

WILL YOU HIRE A BOOKKEEPER OR ACCOUNTANT? WHAT'S YOUR BUDGET FOR THIS?

HOW WILL YOU TRACK DEADLINES — CALENDAR, SPREADSHEET, SOFTWARE?

WHAT ACCOUNTING SOFTWARE OR SYSTEM WILL YOU USE?

> *"A nonprofit that loses its tax-exempt status through missed filings doesn't just face fines — it loses the trust of every funder it's built a relationship with."*
> — Tori Donahue, Halai Consulting

IRS AUTO-REVOCATION

The IRS will automatically revoke 501(c)(3) status if an organization fails to file a Form 990 for three consecutive years. Reinstatement is possible but costly and time-consuming. File every year — even if your revenue is $0.

CHAPTER ELEVEN

Rooted in Culture

"The strongest Hawaii nonprofits don't graft Western frameworks onto Hawaiian ways of being. They grow from the roots."

This chapter is for the founders who know that how you do the work is as important as what you do. It connects traditional Hawaiian values to modern nonprofit practice — and invites you to build an organization that is authentically, unapologetically rooted in place.

WHAT YOU'LL DO IN THIS CHAPTER

- Explore Hawaiian values and their application to your work
- Reflect on how culture shows up in your organization
- Learn how to write about cultural grounding in grant applications

> ***"When a funder asks 'why your organization?' — your cultural rootedness is not a footnote. It is the answer."***
>
> — Tori Donahue, Halai Consulting

HAWAIIAN VALUES IN PRACTICE

These traditional values are not abstract — they are design principles. Consider how each shows up (or could show up) in your work:

Value	Meaning	How it shows in your org
Aloha	Love, compassion, mutual respect — the living spirit of presence	
Malama	To care for, to protect — stewardship of people and land	
Kuleana	Responsibility, privilege, and accountability to community	
Lokahi	Unity, harmony, balance — working together across difference	
Akahai	Humility, gentleness — strength expressed quietly	
Ahupuaa	The land division from mountain to sea — systems thinking rooted in ecology	
Pono	Righteousness, balance, doing what is right and just	

WHICH VALUE MOST CLOSELY DESCRIBES WHY YOUR ORGANIZATION EXISTS?

IN GRANT WRITING

When you write "our work is rooted in the value of kuleana," follow it with a concrete example — a program structure, a hiring practice, or a community agreement. Values are most powerful when they're operational, not ornamental.

CULTURAL PRACTICE PROMPTS

HOW DOES YOUR WORK CONNECT TO THE AINA (LAND) OR WAI (WATER)?

ARE THERE HAWAIIAN CULTURAL PROTOCOLS YOUR ORGANIZATION OBSERVES? (OPENING PULE, OLI, HO'OPONOPONO, ETC.)

WHO ARE THE ELDERS, KNOWLEDGE HOLDERS, OR CULTURAL PRACTITIONERS YOUR WORK IS ACCOUNTABLE TO?

WHAT WOULD IT LOOK LIKE IF YOUR BOARD AND STAFF REFLECTED THE COMMUNITY YOU SERVE?

> *"Cultural humility is not a training you attend once. It is a practice of lifelong accountability — to the people, the place, and the past."*
> — Halai Consulting

FOR NATIVE HAWAIIAN ORGS

If your organization is Native Hawaiian-focused, the Office of Hawaiian Affairs (OHA) and many HCF programs have specific funding streams that recognize and reward cultural groundedness. Document your practices.

CHAPTER TWELVE

Telling Your Story

"People forget statistics. They remember stories. Give them a story worth remembering."

Your story is your most powerful fundraising asset. It doesn't require a big budget or professional video — it requires honesty, specificity, and a willingness to be human. This chapter helps you build your signature story and find the right platforms to share it.

WHAT YOU'LL DO IN THIS CHAPTER

- Learn the 5-part story formula
- Identify your best storytelling platforms
- Draft your organization's signature story

> ***"The best nonprofit stories don't feature the organization as the hero. They feature the community member — the organization is just the guide."***
>
> — Tori Donahue, Halai Consulting

THE 5-PART STORY FORMULA

01

The Person

Introduce someone your program serves — real, specific, with a name (or "a young man in Waimanalo"). Their situation is the entry point.

02

The Problem

What challenge were they facing before they encountered your work? Be honest. Don't soften the problem — that's where the urgency lives.

03

The Program

What did your organization do or provide? Keep it brief — this isn't your program description; it's the turning point in the story.

04

The Progress

What changed? Show the outcome in human terms — confidence restored, food on the table, a skill earned, a family reunited.

05

The Pull

End with why this matters beyond one person — connect to the larger community change you're working toward.

STORYTELLING PLATFORMS

Platform	Best Use	I'll use this?
Instagram / Facebook	Short stories, photos, video clips, community updates	☐
Email newsletter	Deeper stories, donor updates, program highlights	☐
Website / blog	Impact reports, longer narratives, funder credibility	☐
Community events	Live storytelling, testimonials, in-person connection	☐
Grant applications	Structured story formula embedded in narratives	☐

DRAFT YOUR SIGNATURE STORY

Use the 5-part formula to write your organization's go-to impact story. You'll adapt this for grant applications, donor letters, and social media:

THE PERSON (WHO?)

THE PROBLEM (BEFORE YOUR ORG)

THE PROGRAM (WHAT YOU PROVIDED)

THE PROGRESS (WHAT CHANGED)

THE PULL (WHY IT MATTERS BEYOND THIS ONE PERSON)

FULL STORY (WRITE IT OUT — 150 TO 250 WORDS):

CONTENT IDEAS FOR THE YEAR

You don't need to post constantly — you need to post consistently and meaningfully. Plan a few types of posts per month:

MONTHLY POSTS (1–2X/WEEK)

- Program update or milestone
- Community spotlight or thank-you
- A fact about the need you address
- Behind-the-scenes from your work

SEASONAL / EVENT POSTS

- Grant announcement / award
- Board or volunteer welcome
- Year-end thank-you appeal
- Give Big Hawaii countdown

CONTENT CALENDAR NOTES

WHO WILL MANAGE YOUR SOCIAL MEDIA?

HOW OFTEN WILL YOU POST?

WHAT STORY DO YOU WANT TO TELL FIRST?

HALAI SUCCESS STORY

An anonymous Halai client — a children's learning center — used their signature story in a grant application and was awarded $78,000. The story they wrote in a workbook like this one became the foundation of their winning narrative.

CHAPTER THIRTEEN

Staying the Course

"Building a nonprofit is a long game. Play it with your whole self — but pace yourself."

The hardest part of starting a nonprofit isn't the paperwork — it's showing up in Year Three when the novelty has worn off, a grant fell through, and you're tired. This chapter is for those days.

WHAT YOU'LL DO IN THIS CHAPTER

- Review the annual compliance checklist
- Learn the signs of a healthy organization
- Reflect on sustainability — for your org and for yourself

> ***"Your organization cannot be sustainable if you are not. Rest is not a retreat from the mission. It is part of it."***
>
> — Tori Donahue, Halai Consulting

SIGNS OF AN ORGANIZATIONALLY HEALTHY NONPROFIT

- Board meetings are attended and productive
- Financial reports are reviewed regularly
- At least two funding sources contribute to operating budget
- Staff and volunteers understand and believe in the mission
- The organization could survive the loss of one key person
- Community relationships are reciprocal, not extractive
- Annual filings are submitted on time without scrambling
- Leadership reflects the community you serve

WHEN YOU FEEL LIKE GIVING UP

These moments are not signs you've failed. They are signs you care. When things feel hard, try these:

RETURN TO YOUR "WHY" — READ WHAT YOU WROTE ON PAGE 7.

CALL ONE PERSON YOUR WORK HAS HELPED AND LET THEM REMIND YOU IT MATTERS.

ASK YOUR BOARD FOR HELP — THAT'S LITERALLY WHAT THEY'RE FOR.

CONNECT WITH ANOTHER NONPROFIT FOUNDER. YOU'RE NOT ALONE IN THIS WORK.

REACH OUT TO HALAI CONSULTING — WE ARE HERE.

NOTES TO MYSELF FOR THE HARD DAYS:

ANNUAL REFLECTION PROMPTS

Return to these at the end of each program year:

WHAT IS THE MOST IMPORTANT THING YOUR ORGANIZATION ACCOMPLISHED THIS YEAR?

WHAT WOULD YOU DO DIFFERENTLY?

WHO SHOWED UP FOR YOU THIS YEAR — AND HAVE YOU THANKED THEM?

IS YOUR MISSION STILL THE RIGHT MISSION? WHAT, IF ANYTHING, HAS SHIFTED?

WHAT DOES YEAR [__] LOOK LIKE? WHAT'S YOUR BOLDEST GOAL?

> ***"The question isn't whether your nonprofit will face obstacles. It will. The question is whether your roots are deep enough to hold."***
> — Tori Donahue, Halai Consulting

Working with a Consultant

You don't have to do this alone.

DIY — YOU'RE READY IF:

- You have time to learn compliance deeply
- Your application is straightforward
- You have a strong writer on your team
- You're comfortable with federal portals

GET HELP — CONSIDER IT IF:

- You're facing multiple concurrent deadlines
- This is your first grant application
- You've been declined and aren't sure why
- You need a coach, not just a writer

HALAI CONSULTING SERVICES

Service	What's Included
Grant Strategy	Funder research, pipeline building, go/no-go analysis, 4granted.app setup
Grant Writing	Full application drafting, budget narrative, portal-ready formatting
Formation Support	DCCA filing, bylaws, COI policy, 1023 preparation
Monthly Retainer	Ongoing grant management, compliance calendar, joint review calls

Schedule a free 30-minute consultation:

tori.donahue@halaiconsulting.org · 571-970-8114 · halaiconsulting.org

Master Checklist

Your 5-Phase Nonprofit Roadmap

PHASE 1 — FOUNDATION

- ✓ Mission, vision, and values written
- ✓ Community need documented
- ✓ Program model defined
- ✓ Board members identified (minimum 3)
- ✓ Bylaws drafted and adopted
- ✓ Conflict of Interest Policy adopted

PHASE 2 — STATE INCORPORATION

- ✓ Articles of Incorporation filed with DCCA (hbe.ehawaii.gov)
- ✓ Certificate of Incorporation received
- ✓ Initial Report filed (within 60 days)
- ✓ Organizational meeting held; officers elected

PHASE 3 — FEDERAL 501(C)(3)

- ✓ EIN obtained at irs.gov/ein
- ✓ Bank account opened
- ✓ Form 1023 or 1023-EZ submitted at pay.gov
- ✓ IRS Determination Letter received and saved

PHASE 4 — HAWAII COMPLIANCE

- ✓ GET exemption applied (Form G-6, DOTAX)
- ✓ AG Charities registered (if raising >$25K)
- ✓ Candid/GuideStar profile created at candid.org
- ✓ Annual 990 filing calendar set

PHASE 5 — BUDGET & FUNDING

- ✓ First-year operating budget complete
- ✓ Grant readiness checklist reviewed
- ✓ First grant application submitted
- ✓ Individual donor outreach plan drafted

Helpful Resources

Verified Links for Hawaii Nonprofits

Resource	URL	What You'll Find
DCCA / Business Registration	hbe.ehawaii.gov	Incorporate, file annual reports
IRS — EIN Application	irs.gov/ein	Free EIN; weekdays only
IRS — Form 1023	pay.gov	501(c)(3) application portal
Hawaii AG Charities	ag.hawaii.gov/tax	Charity registration & renewal
Hawaii DOTAX	tax.hawaii.gov	GET exemption (Form G-6)
Candid / GuideStar	candid.org	Nonprofit profile; required by HCF
Hawaii Community Foundation	hawaiicommunityfoundation.org	Grants portal, eligibility, cycles
Give Big Hawaii	givebighawaii.com	Annual giving day (Aloha United Way)
Office of Hawaiian Affairs	oha.org	Native Hawaiian-focused grants
4granted.app	4granted.app	Grant management platform by Halai

Halai Consulting LLC

tori.donahue@halaiconsulting.org · 571-970-8114 · halaiconsulting.org

Glossary

Key Terms for Nonprofit Founders

501(c)(3) IRS designation for charitable, tax-exempt organizations. Donations are tax-deductible to donors.

Articles of Incorporation Legal document filed with DCCA that establishes your nonprofit in Hawaii.

Bylaws Internal rules governing board operations, meetings, and decision-making. Not filed publicly.

Candid / GuideStar Nonprofit transparency platform. Free profile at candid.org — required by HCF and many others.

DCCA Hawaii Department of Commerce and Consumer Affairs. Manages business registration at hbe.ehawaii.gov.

Determination Letter IRS letter confirming 501(c)(3) status. Keep multiple copies — funders ask for this constantly.

EIN Employer Identification Number. Your org's federal tax ID. Apply free at irs.gov/ein.

Fiscal Sponsor An existing 501(c)(3) that accepts funds on behalf of an unincorporated project for a fee.

Form 990 Annual IRS information return for tax-exempt organizations. Public record. Due 5 months after fiscal year end.

GET Hawaii General Excise Tax. Nonprofits may apply for exemption on mission activities via Form G-6.

In-Kind Non-cash contributions of goods or services. Track and report; some funders count toward match.

Logic Model A visual framework mapping inputs → activities → outputs → outcomes → impact.

LOI Letter of Intent or Letter of Inquiry. A brief proposal submitted before a full application is invited.

Overhead / Indirect Administrative and operational costs not tied directly to programs. Most funders cap at 15–20%.

Quorum The minimum number of board members needed to conduct official business and vote.

RFP Request for Proposals. A formal invitation from a funder to submit a grant application.

Theory of Change A narrative explaining how your activities lead to your desired long-term impact.

Unrestricted Funds Donations or grants without conditions on use. The most flexible funding you can receive.

Celebrate Your Wins

Every milestone matters. Write them down. Come back and read them on the hard days.

Date	Milestone / Win	Who made it happen?

> ***"You are building something that will outlast you. That is extraordinary. Never forget it."***
> — Tori Donahue, Halai Consulting

Grant Tracker

Funder	Program	Ask	Deadline	Submitted	Result

GRANT NOTES

Notes

Notes

Halai Consulting LLC

Still Waters, Strong Roots.

tori.donahue@halaiconsulting.org

571-970-8114

halaiconsulting.org

Grant strategy, nonprofit formation, and community-centered funding support for Hawaii's changemakers.