

Agenda

- Welcome – Council Member Lee Loy
 - Introduction of Corporation Counsel Strance
- Document Compliance Presentation – Corporation Counsel Strance
- Q & A
- Evaluation

COUNTY OF HAWAI'I WAIWAI GRANT TRAINING

**Nonprofit Application: Document
Requirements**

**Presenter: Elizabeth Strance
October 13, 2022**



DISCLAIMER: THIS PRESENTATION IS INFORMATIONAL ONLY. WHILE INFORMATION REGARDING FEDERAL, STATE AND COUNTY LAWS ARE REFERENCED, LEGAL ADVICE IS NOT PROVIDED. ORGANIZATIONS ARE URGED TO SEEK INDEPENDENT LEGAL ADVICE WITH LEGAL QUESTIONS.



The Waiwai Grant-In-Aid Program Is Part Of The Hawai'i County Code

**Hawai'i County Code, Chapter 2, Article 25: Appropriation of Funds To
Nonprofit Organizations**

**Section 2-135. Purpose. The purpose of this article is to establish
standards for the appropriation of funds to nonprofit organizations
providing programs and services which the County has determined to
be in the public interest.**

Section 2-137 Eligible Organizations

All grant payments made by the County to nonprofit organizations are to be made in accordance with these standards so that the funded nonprofit programs yield direct benefits to the public and accomplish public purposes. No grant to a nonprofit organization shall be made unless the nonprofit organization meets the following criteria:

(1) The nonprofit organization is chartered or otherwise authorized to do business in the State for charitable purposes and exempted from the Federal income tax by the Internal Revenue Service.

(2) The purposes for which the nonprofit organization is organized provide benefits to the people of the County.

SECTION 2-137 ELIGIBLE ORGANIZATIONS (CON'T)

(3) The service or activity to be provided by the nonprofit organization, and funded by the County, shall address educational concerns, culture and the arts, the needs of the poor, youth, the aged, those with physical or emotional disabilities, victims of crimes, victims of health or social crises, or public health and welfare of the people and the environment, as may be determined by the County.

(4) The nonprofit organization has a governing board whose members serve without compensation and have no conflict of interest between their regular occupations and the services provided by the nonprofit organization.

(5) The nonprofit organization has bylaws or policies which describe the manner in which business is conducted, including management, audit, and fiscal policies and procedures, policies on nepotism, and policies on management of potential conflict of interest.

(6) The nonprofit organization has at least one year's experience with the service or activity for which the appropriation is sought or can otherwise demonstrate to the satisfaction of the County sufficient expertise to successfully carry out the service or activity.

(7) The nonprofit organization must be licensed and accredited in accordance with applicable requirements of Federal, State and County laws.

A PROPERLY
COMPLETED
APPLICATION
DETERMINES
ELIGIBILITY



REQUIRED ADDITIONAL DOCUMENTATION

Proof of
Authorization

Annual
Financial
Statement

IRS Form

Tax Status

Articles of
Incorporation

Bylaws

Nepotism
Policy

Conflict of
Interest Policy

PROOF OF AUTHORIZATION

Identifies those with authority to bind the organization to contracts?

- Commits organization to use funds as promised in the application
- Commits organization to follow required employment and financial practices
- Commits organization to return unused funds or reimburse funds improperly spent.



Where To Find Proof Of Authorization



Articles of
Incorporation



Bylaws



Board
Resolution



PLEASE BE CLEAR

President, Vice-
President,
Secretary,
Treasurer,
Executive Director

President, Vice-President,
Secretary, Treasurer and
Executive Director

President, Vice-President,
Secretary, Treasurer or
Executive Director

President or Vice-President,
and Secretary or Treasurer

Avoid using specifically
named individuals if there
will be a change of officers
or executive director
between application date
and contract date.

If articles or bylaws have
dollar amount limits of
authority for contracting,
confirm appropriate
authorization in place once
grant award announced.

Update County department
of finance if updates are
necessary.

ANNUAL FINANCE STATEMENTS

- Two most recent years required.
- Statements must reflect finances within the last three-year period. The preparer's name, title, address and signature must appear on the financial statements.
- The Executive Director or authorized member of the organization (title must be indicated, with explanation to certify accuracy) must approve and sign those financial statements that are not prepared by a CPA to certify accuracy. As a minimum, a comprehensive Profit and Loss statement is required and up to (if available) an Independently Audited Financial Statement.
- Note: if the organization has been incorporated for less than two years, a waiver may be granted to provide one year's information.



IRS FORM 990

- Page 1 and 2 of IRS Form 990. If you file electronically, it is your responsibility to obtain a printout of these pages. If you file a Form 990N (e-Postcard), you must provide a receipt of submission.
- What if I cannot find returns?
<https://apps.irs.gov/app/eos/allSearch>



TAX STATUS

- IRS letter verifying agency's tax-exempt status (IRS 501(c)(3) aka Determination Letter.
 - IRS recommends all exempt organizations maintain a set of permanent records (articles of incorporation/charter, Form 1023 (exemption application), and determination letter.
- More information about requirements for obtaining and maintaining 501(c)(3) status.
<https://www.stayexempt.irs.gov/home/existing-organizations/existing-organizations>

ARTICLES OF INCORPORATION AND BYLAWS

Establish corporate purpose, existence, powers.

Submitted copies require signature of executive director or highest-ranking member of organization to verify validity of document submitted.



We Do Not Have A Copy Is No Excuse

HRS §414D-301(e) A corporation shall keep a copy of the following records at its principal office:

- (1) Articles or restated articles of incorporation and all amendments to them currently in effect;**
- (2) Bylaws or restated bylaws and all amendments to them currently in effect;**
- (3) Resolutions adopted by its board of directors relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members;**
- (4) Minutes of all meetings of members and records of all actions approved by the members for the past three years;**
- (5) All written financial statements furnished for the past three years under section 414D-306;**
- (6) A list of the names and business or home addresses of its current directors and officers; and**
- (7) The most recent annual report delivered to the department director under section 414D-308.**

Obtaining Copies Of Missing Corporate Documents

<https://hbe.ehawaii.gov/documents/search.html>



CONFLICT AND
NEPOTISM
POLICIES





Nepotism

“Nepotism” means appointing persons to positions on the basis of their blood or marital relationship to the appointing authority, rather than on merit or ability.

Conflict Of Interest

“Conflict of interest” means a substantial probability that action taken by an individual will result in measurable direct benefits accruing to the individual as opposed to benefits accruing in general to an industry.

QUESTIONS



Nonprofit Resources

Organization	Resources/Services Offered	Website
Department of Hawaiian Home Lands (DHHL)	<ul style="list-style-type: none"> Grants: existing programs and services in Homesteads, project implementation, community capacity building 	dttl.hawaii.gov/grants
Hawai'i Alliance of Nonprofit Organizations (HANO)	<ul style="list-style-type: none"> Trainings, consulting services, toolkits Federal grant technical assistance Grant database 	hano-hawaii.org
Hawai'i Community Foundation (HCF)	<ul style="list-style-type: none"> CHANGE grants Neighbor island travel grants Grant partnerships 	hawaiicommunityfoundation.org
Office of Hawaiian Affairs (OHA)	<ul style="list-style-type: none"> Grants: 'ahahui, housing, education, health, economic stability, 'āina, mo'omehu, 'olelo Hawai'i community research, 'ohana, iwi kupuna 	oha.org/grants
Vibrant Hawai'i	<ul style="list-style-type: none"> Resilience and capacity building opportunities Micro-investments Grant workshops 	vibranthawaii.org

THANK YOU

