

THE THIRTIETH LEGISLATURE
APPLICATION FOR GRANTS
CHAPTER 42F, HAWAII REVISED STATUTES

Type of Grant Request:

Operating Capital

Legal Name of Requesting Organization or Individual: Db:
Design Thinking Hawaii

Amount of State Funds Requested: \$ 640,200.00

Brief Description of Request (Please attach word document to back of page if extra space is needed):

PLANNING AND EXECUTION OF DESIGN THINKING BOOTCAMP FOCUSED ON THE ISSUES OF COMMUNITY RESILIENCE IN OUR STATE. THE PROJECT PROPOSES A TWO-DAY BOOTCAMP WHICH WILL FOCUS ON COMMUNITY RESILIENCE. THE PROJECT WILL ALLOW COMMUNITY VOICES TO BE ENGAGED AND CONSIDERED TO DEVELOP NOVEL, GROUNDBREAKING PLANS AND PROTOTYPES TO ADDRESS THE ISSUE .

Amount of Other Funds Available:

State: \$ 640,200.00

Federal: \$ _____

County: \$ _____

Private/Other: \$ To be determined

Total amount of State Grants Received in the Past 5 Fiscal Years:

\$ 175,000.00

Unrestricted Assets:

\$ 5,000.00

New Service (Presently Does Not Exist): Existing Service (Presently in Operation):

Type of Business Entity:

501(C)(3) Non Profit Corporation

Other Non Profit

Other

Mailing Address:

City:

State:

Zip:

Contact Person for Matters Involving this Application

Name:
Ian Kitajima

Title:
President

Email:
designthinkinghawaii@gmail.com

Phone:
(808) 226-8805

Federal Tax ID#:

State Tax ID#

██████████

██████████

Ian Kitajima
Authorized Signature

Ian Kitajima, President
Name and Title

12/24/2018
Date Signed

DEC 26 2018 JFR 2:17PM

Application Submittal Checklist

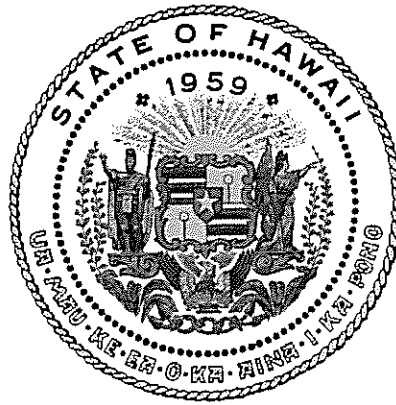
The following items are required for submittal of the grant application. Please verify and check off that the items have been included in the application packet.

- 1) Certificate of Good Standing (If the Applicant is an Organization)
- 2) Declaration Statement
- 3) Verify that grant shall be used for a public purpose
- 4) Background and Summary
- 5) Service Summary and Outcomes
- 6) Budget
 - a. Budget request by source of funds ([Link](#))
 - b. Personnel salaries and wages ([Link](#))
 - c. Equipment and motor vehicles ([Link](#))
 - d. Capital project details ([Link](#))
 - e. Government contracts, grants, and grants in aid ([Link](#))
- 7) Experience and Capability
- 8) Personnel: Project Organization and Staffing


AUTHORIZED SIGNATURE

Ian Kitajima, President
PRINT NAME AND TITLE

December 24, 2018
DATE



Department of Commerce and Consumer Affairs

CERTIFICATE OF GOOD STANDING

I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that

DESIGN THINKING HAWAII

was incorporated under the laws of Hawaii on 04/29/2013 ; that it is an existing nonprofit corporation; and that, as far as the records of this Department reveal, has complied with all of the provisions of the Hawaii Nonprofit Corporations Act, regulating domestic nonprofit corporations.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Department of Commerce and Consumer Affairs, at Honolulu, Hawaii.

Dated: December 22, 2018

Director of Commerce and Consumer Affairs

**DECLARATION STATEMENT OF
APPLICANTS FOR GRANTS PURSUANT TO
CHAPTER 42F, HAWAII REVISIED STATUTES**

The undersigned authorized representative of the applicant certifies the following:

- 1) The applicant meets and will comply with all of the following standards for the award of grants pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant is awarded;
 - b) Complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
 - c) Agrees not to use state funds for entertainment or lobbying activities; and
 - d) Allows the state agency to which funds for the grant were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant.
- 2) If the applicant is an organization, the applicant meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is incorporated under the laws of the State; and
 - b) Has bylaws or policies that describe the manner in which the activities or services for which a grant is awarded shall be conducted or provided.
- 3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
 - b) Has a governing board whose members have no material conflict of interest and serve without compensation.

Pursuant to Section 42F-103, Hawaii Revised Statutes, for grants used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant used for the acquisition of the land.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

Design Thinking Hawaii

(Typed Name of Individual or Organization)

Ian Kitajima
(Signature)

12/20/2018
(Date)

Ian Kitajima
(Typed Name)

President
(Title)

Application for Grants

I. Certification

1. **Certificate of Good Standing** - A Certificate of Good Standing from the Department of Commerce and Consumer Affairs dated December 22, 2018 is submitted with this application.
2. **Declaration Statement** – The declaration statement affirming compliance with 42F-103 is submitted with this application.
3. **Public Purpose** – Design Thinking Hawaii specifies that the grant for which this application is being submitted will be used for a public purpose to benefit Hawaii communities and residents by supporting community and school-based resilience in the State of Hawaii. The budget for the grant is \$640,200 with additional funds to be solicited from non-public sources to support the initiative and project sustainment.

II. Background and Summary

Design Thinking Hawaii (DTH) was established in 2010 to promote and support the introduction, training, adoption, use, and implementation of the design thinking process in organizations, governmental units, schools, not-for-profit organizations, and other corporations. Design Thinking Hawaii (DTH), a Hawaii non-profit corporation exempt under Section 501(c)(3) of the IRS Code, has a history of working with government, education, public, private and non-profit stakeholders in our trainings.

DTH was started through the support of the federally-funded Hawaii Technology Development Venture program and Oceanit in response to the need to understand the needs of stakeholders for technology solutions to “wicked” problems in the U.S. Defense sector and technology industry. Since the initial effort in design thinking in 2009, DTH has conducted over eight Summer Bootcamps and numerous one and two-day introductory workshops. DTH started offering Design Thinking PDE3 training to DOE, independent, and charter school educators in 2017 and that effort continues today with four cohorts completed. The Summer Bootcamps offer an opportunity to examine crosscutting community problems which are often state-supported matters such as employability to disabled individuals, and sustainable development as noted below.

The State of Hawaii Department of Health Developmental Disabilities division is an example of a government group that has been involved in our Summer Bootcamp to enhance employment opportunities for intellectually and developmentally disabled individuals in our community. We have also examined issues related to Environmental Sustainability, Voter Apathy, and expanding educational opportunities through new paradigms for teaching and learning in public, private and charter schools.

In 2018, DTH completed work with the State of Hawaii Department of Business, Economic Development & Tourism, Office of Planning on a sustainability website. The project was funded with a Grant In Aid from the State Legislature and successfully completed in cooperation with the State's Sustainability Coordinator. The project included utilizing the design thinking process for initial stakeholder input as well as follow-up to test the website, with the final test conducted during the DTH 2018 Summer Bootcamp.

Design Thinking is a highly effective approach to involving many stakeholders to solve “wicked problems” and create products or services integrating the variety of needs of these communities. “[Design Thinking] is a discipline that uses the designer’s sensibility and methods to match people’s needs with what is technologically feasible...” *Harvard Business Review, June 2008*. In this process, multiple rough prototypes are created, tested, and revised until the end of the session which begins with understanding user perspectives through interviews and observations.

Proposal Summary: Utilize the Design Thinking Hawaii (DTH) Bootcamp model to initiate a new paradigm for dealing with community, school-based resilience through an approach which focuses on partnership and collaboration via the following statement:

How Might We enable the development of resilience in the Aloha State through community-based planning and school-based resiliency and preparedness?

A November 2, 2017 report by KHON2 TV stated that there is limited safe shelter space to support the estimated 33% of Hawaii’s population that would require sheltering in the event of a disaster scenario. Many of Hawaii’s schools are community resources but few are able to withstand a hurricane above the Category 1 rating. There were no schools with facilities able to withstand a Category 4 hurricane.

The Hawaii Emergency Management Agency (HiEMA) issued a report dated February 18, 2018 which stated that “Hawaii faces a daunting task of building capacity for resilience and preparedness given our challenges across multiple domains and functions.” The report outlined observations and recommendations for action but focused solely on issues internal to HiEMA. In June, 2018, HiEMA issued a draft Hazard Mitigation Plan as required by the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Public Law 100-707, signed in 1988).

Project Summary

This GIA request provides funding to examine the issue of community resilience in Hawaii with a fresh approach involving:

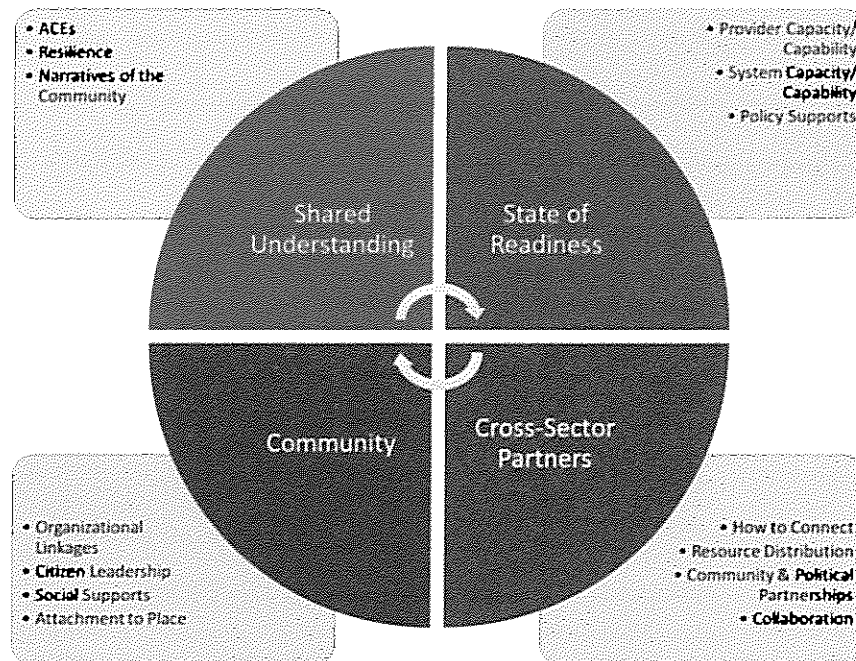
1. Planning, engagement of stakeholders, and execution of a two-day intensive Bootcamp focused on using design thinking to tackle the issue of resilience in the community;
2. Outputs from the Bootcamp will include community, school-based resilience plans and prototypes of key initiatives to enhance community resilience and resilience activities;

3. Engagement of schools, government agencies, and non-profit organizations to finalize the community, school-based resiliency plans and implement identified aspects of the plans including, but not limited to, prototypes developed by participants at the Bootcamp or key measures to communicate with community members and correct deficiencies at schools that may hinder or negatively impact resilience efforts.
4. Three to six-month community, school-based pilot projects based on availability of funding and other resources; and
5. Ongoing engagement of stakeholders groups to enhance the potential for successful pilot projects, support for ongoing community-based resiliency planning, and continued operation of the pilot programs through State, County, and Federal funding.

Resilience is a concern of all citizens of the State of Hawaii in all geographical locations in the state. While there are numerous agencies and entities working on the areas of resilience, there has been limited dialogue (at best) among the government agencies, and much of the discussion has excluded explicit engagement of communities. Schools are considered central to disaster mitigation planning but school leaders have not been engaged as part of mitigation planning. Community-based private sector partners will also be essential to resilience in communities but have not been included in discussions. A holistic approach to community resilience is essential for Hawaii to be truly resilient in these tumultuous times.

The figure below outlines a model for building community resilience.

Building Community Resilience: Process of Assessment, Readiness, Implementation & Sustainability



Ellis, W., Dietz, W. (2017) A New Framework for Addressing Adverse Childhood and Community Experiences: The Building Community Resilience (BCR) Model. *Academic Pediatrics*. 17 (2017) pp. S86-S93. DOI information: 10.1016/j.acap.2016.12.011

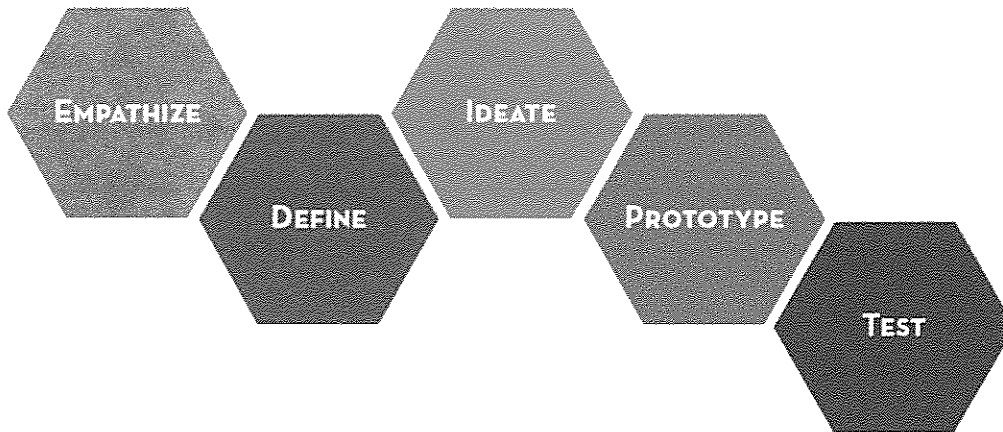
The HiEMA plans, complemented by private organization plans such as the electric, gas, and telephone utilities, are baselines (State of Readiness quadrant) from which community narratives, organizational linkages, connections, resource distributions, partnerships, and collaborations may be established to support community resilience. Design thinking can support the dialogue essential to filling the other three quadrants of the model (Community, Cross-Sector Partners, and Shared Understanding).

The design thinking process will be used to understand inputs such as community narratives, provider and system capacities, organizational linkages, and resources. The public purpose is to benefit Hawaii communities and residents by supporting community and school-based resilience in the State of Hawaii. The target population includes the stakeholders noted in the graphic including, but not limited to, community leaders, government agencies, non-profit, and private organizations. The proposed effort will have a statewide reach, and pilot projects located on all major islands.

II. Service Summary and Outcomes

Scope of Work, Tasks, and Responsible Parties

Participants in the Hawaii Resilience-Design Thinking Initiative Bootcamp will collaborate in small multidisciplinary teams to solve a hands-on customized innovation challenge based on a “How Might We” statement. The workshop is built upon learning by doing and reflection as they tackle the challenge. Stanford University’s The Hasso Plattner Institute of Design’s five-step process (empathy, define, ideate, prototype, feedback) will be used in the workshop.



The DTH Bootcamp attendees come from various sectors of the Hawaii community with a significant portion from our education sector including administrators, students, and teacher. We are hopeful that many will participate in this endeavor. The issue of resilience can have an impact on everyone either directly or indirectly, and reactions are typically very negative with many in the community not taking threats seriously.

Attendees will utilize the design thinking process and gain empathy from community leaders, government officials, service providers, business leaders, and those who have experienced the need for resilience first-hand. The two-day workshop will result in prototypes that will include community-based resilience plans and efforts to be piloted in the community with oversight provided by DTH and a steering committee as described below.

Task 1 - Prior to the Bootcamp, establish steering and planning committees representing government, service providers, homeless advocates, and other key stakeholders to support proper engagement of funders, program participants, interviewees, and testers. (Months 1 to 3).

Task 2 - During the Bootcamp, attendees will go through the design thinking process and develop prototype initiatives/programs. DTH volunteers will serve as “guides” through the process. Draft community, school-based resilience plans or frameworks for community-based resilience planning will be outputs from the Bootcamp (End of Month 3).

Task 3 - Non-profit, academic, and government-sponsored service providers will then be engaged to “propose” to document and finalize community-resilience plans and implement 3-6 month pilot programs. (Month 4 with pilot projects to start in Month 5 or 6 and continue through Month 11 or as funding allows).

Task 4 – Grants administration, Reporting, Oversight of Pilot Programs, and Final Reporting. (Months 1 through 12).

Quality Assurance, Evaluation Plans, and Measures of Effectiveness

Quality Assurance and Evaluation Plans. Continuous feedback and revision is an integral part of the design and development process outlined in the scope of work, so the project will have significant qualitative data on the tool effectiveness and performance. This is an integral part of the community based design process in that the committees. Feedback in the forms of surveys, incrementally submitted suggestions, and oral feedback during committee sessions will be captured.

Key metrics to evaluate the pilot programs will be proposed by the selected non-profit and academic organizations with government agency partners. The steering committee will approve the metrics for each project and review project progress through the metrics.

Evaluation Plans. Survey based feedback is a key part of the design and development process, but additional measures will be used on an ongoing basis to assess the development and use of the tool. The following figure offers a framework for evaluation of piloted projects within the context of resiliency.



Frameworks and Models of Resiliency

Godschalk (2003), characteristics of resilient systems:

- **Redundancy** - systems designed with multiple nodes to ensure that failure of one component does not cause the entire system to fail
- **Diversity** - multiple components or nodes versus a central node, to protect against a site specific threat
- **Efficiency** - positive ratio of energy supplied to energy delivered by a dynamic system
- **Autonomy** - capability to operate independent of outside control
- **Strength** - power to resist a hazard force or attack
- **Interdependence** - integrated system components to support each other
- **Adaptability** - capacity to learn from experience and the flexibility to change
- **Collaboration** - multiple opportunities and incentives for broad stakeholder participation

Measures of Effectiveness. These Measures of Effectiveness are relevant in the areas of community engagement in fulfilling deliverables of this project within the proposed timeline. These measures are broken up by quarter. The overall Measure of Effectiveness and fulfillment of the grant objectives is simply the execution of the Bootcamp and establishment of each pilot project.

Q1. The Hawaii Resilience-Design Thinking Initiative Bootcamp is executed with a diverse representation from various stakeholder groups of at least 100 participants.

Q2. Community-based Resiliency Plans are evaluated and pilot project approved.

Q2. Pilot project metrics established and approved by the Steering Committee, and pilot projects initiated.

Q3. Pilot projects evaluated on an ongoing basis with status reporting on metrics and lessons learned to-date.

Q4. Pilot projects evaluated with final reporting on metrics and lessons learned.

Q4. Pilot programs may be adopted by government agencies with non-profit and academic organizations for ongoing execution.

Q4. Project completed and Final Report submitted.

	\$	\$	\$	\$	\$
Total Other Assets	-	-	-	-	-
	\$	\$	\$	\$	\$
TOTAL ASSETS	64,313.35	36,798.50	574.91	5,478.15	7,773.59

Liabilities

Current Liabilities

Accounts Payable

Accrued Salaries & Wages

Other

	\$	\$	\$	\$	\$
Total Current Liabilities	-	-	-	-	-

Long-term Liabilities

Loans

	\$	\$	\$	\$	\$
Total Long-term Liabilities	-	-	-	-	-

	\$	\$	\$	\$	\$
Unrestricted Fund Balance	64,313.35	35,058.10	574.91	5,478.15	7,773.59
	\$	\$	\$	\$	\$
Restricted Fund Balance	-	1,740.40	-	-	-
	\$	\$	\$	\$	\$
TOTAL LIABILITIES	64,313.35	36,798.50	574.91	5,478.15	7,773.59

IV. Experience and Capability

1. Necessary Skills and Experience

The Design Thinking approach is an ideal methodology to bring together a diverse group of stakeholders to create a tool that is beneficial and useful to many segments of the community. Design Thinking Hawaii (DTH) has championed the introduction and use of this process in Hawaii. Since it began 9 years ago, DTH has taught 8 major training boot camps and facilitated over 100 workshops with a variety of companies, organizations, and agencies. One of the first to employ this process for strategic planning was the former Superintendent of the Hawaii Department of Education, Kathy Matayoshi, and now numerous State Departments and Divisions have worked with DTH to use the Design Thinking process. DTH has also assisted companies, organizations, and communities in addressing multi-faceted challenges and finding innovative solutions.

DTH is also conducting teacher training in collaboration with the State Department of Education Office of Curriculum Instruction and Student Services. Four Design Thinking PDE3 sections have been completed. Design thinking is mentioned in the State DOE's Strategic Plan for development of 21st Century Skills and as a process for school redesign and classroom instruction. DTH successfully completed a grant with DBEDT for the development of a sustainability website in 2018. This work supported the Office of Sustainability and provided a resource for education and community on background and opportunities on sustainability in Hawaii.

2. Facilities

There is no central office, so project volunteers and DTH will work out of their individual offices and rely mainly on digital communications and conferencing tools, with occasional in-person meetings. Meeting space will be rented (or donated) for larger meetings. Most of the work will be by independent contractors and requires no facilities use as a part of this GIA request.

V. Personnel: Project Organization and Staffing

1. Proposed Staffing, Staff Qualifications, Supervision and Training

Design Thinking Hawaii will implement the GIA and ensure compliance and timely reporting to the expending agency. DTH is responsible for the overall administration of the grant, and The Institute is responsible for programmatic administration of the grant. DTH will also provide its expertise for the planning, coordination, and facilitation of the Design Thinking Workshop and provide ongoing oversight of the pilot projects. DTH's staff is experienced in managing Hawaii State GIAs and working with numerous State government agencies and Federal government agencies.

Design Thinking Hawaii (DTH) will provide grant administration, project oversight, and manage all aspects of the grant award and sub-awards.

2. Organization Chart

Design Thinking Hawaii has a president and administrator as staff with the president serving the organization pro bono. A five-person Board of Directors provides oversight over the operations. The flat organization staffed by volunteers and an independent contractor keep overhead to a minimum, and ensures focus on organization and projects objectives.

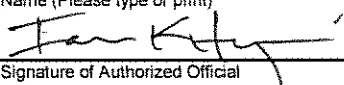
3. Compensation

DTH Administrator – 2017 independent contractor compensation - \$81,000.

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2019 to June 30, 2020

Applicant: Design Thinking Hawaii

BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds Requested (b)	Total County Funds Requested (c)	Total Private/Other Funds Requested (d)
A. PERSONNEL COST				
1. Salaries				
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
TOTAL PERSONNEL COST				
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island	4,000			
2. Insurance	3,000			
3. Lease/Rental of Equipment				
4. Lease/Rental of Space	150,000			
5. Steering Committee & Volunteers	5,000			
6. Supplies	20,000			
7. Telecommunication				
8. Utilities				
9. Bootcamp Planning & Facilitation	80,000			
10. Prototype Pilot Projects	200,000			
11. Grants Administration & Oversight	120,000			
12. DBEDT	58,200			
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
TOTAL OTHER CURRENT EXPENSES	640,200			
C. EQUIPMENT PURCHASES	0			
D. MOTOR VEHICLE PURCHASES	0			
E. CAPITAL	0			
TOTAL (A+B+C+D+E)	640,200			
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	640,200	Keith Matsumoto	(808) 258-9209	
(b) Total Federal Funds Requested		Name (Please type or print) Phone		
(c) Total County Funds Requested			12/29/2018	
(d) Total Private/Other Funds Requested	TBD	Signature of Authorized Official Date		
TOTAL BUDGET	640,200	Ian Kitajima, President Name and Title (Please type or print)		

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: JUL 23 2014

DESIGN THINKING HAWAII
1340 AIINAPUA STREET
HONOLULU, HI 96819-1620

Employer Identification Number:
46-2647636
DLN:
17053182359033
Contact Person:
CUSTOMER SERVICE ID# 31954
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
Yes
Effective Date of Exemption:
April 29, 2013
Contribution Deductibility:
Yes
Addendum Applies:
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

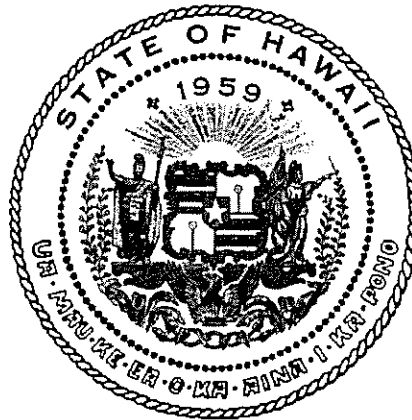
For important information about your responsibilities as a tax-exempt organization, go to www.irs.gov/charities. Enter "4221-PC" in the search bar to view Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, which describes your recordkeeping, reporting, and disclosure requirements.

Sincerely,



Director, Exempt Organizations

Letter 947



DEPARTMENT OF TAXATION

**REGISTRATION CERTIFICATE FOR PERSONS GRANTED
EXEMPTION FROM GENERAL EXCISE TAXES UNDER
SECTION 237-23, HAWAII REVISED STATUTES**

DATE ISSUED: October 26, 2015

EFFECTIVE DATE: April 21, 2015

HAWAII TAX I.D. No.: W16707840-01

DESIGN THINKING HAWAII

This certificate is permanent evidence of your registration under section 237-23, Hawaii Revised Statutes.

If there is a material change in the facts as set forth in your application for exemption, you must notify the Department of Taxation in writing so we can consider the effect of the change on your exempt status. Also, you must notify the Department of Taxation in writing of all changes in your name or address, and of cancellation of your registration.

The exemption has been granted as of the effective date shown above. If your organization received certain types of income prior to this date, it may be subject to the general excise tax.

The exemption does not apply to any general excise tax (which includes the county surcharge) visibly passed on to the organization on any purchases made by the organization. Also, you must obtain a general excise license and pay the taxes owing from the conduct of any fundraising activities. For example, sales of sweet bread and chicken, and tickets for car washes and carnivals would be taxable.

Maria Zielinski

MARIA E. ZIELINSKI
DIRECTOR OF TAXATION

DAVID Y. IGE
GOVERNOR
SHAN TSUTSUI
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1577
FAX NO: (808) 587-1584

MARIA E. ZIELINSKI
DIRECTOR OF TAXATION
JOSEPH K. KIM
DEPUTY DIRECTOR

October 26, 2015

DESIGN THINKING HAWAII
1340 AINAPUA STREET
HONOLULU, HI 96819
ATTENTION: KEITH MATSUMOTO

Federal Employer I.D. Number:
46-2647636
Hawaii Tax I.D. Number:
W16707840-01
Effective Date of Exemption:
April 21, 2015

**Re: General Excise Tax Exemption Registration Certificate for
DESIGN THINKING HAWAII**

The general excise tax (GET) is a business privilege tax imposed on the gross income from business and other activities in Hawaii unless it is specifically exempt. GET law provides that certain organizations created for the purposes enumerated in HRS §§ 237-23(a)(3) through (7) must apply or register with the State of Hawaii Department of Taxation (Department) in order to obtain an allowance of a GET exemption for activities described under HRS § 237-23(b).

Your Approved GET Exemption

We have reviewed the organization's application (Form G-6 or Form G-6S) and have determined that as an organization described under HRS § 237-23(a)(4), the organization qualifies for a GET exemption on certain activities as described under HRS § 237-23(b). The GET exemption under HRS § 237-23(b) applies to activities from which no profit inures to the benefit of any private stockholder or individual, except for death or other benefits to the members of fraternal societies; the fraternal, religious, charitable, scientific, educational, communal, or social welfare activities of persons described under HRS §§ 237-23(a)(3) through (5), the activities of hospitals, infirmaries, and sanatoria under HRS § 237-23(a)(6), potable water companies as described under HRS § 237-23(a)(7), and not to any activity the primary purpose of which is to produce income even though the income is to be used for or in furtherance of the organization's exempt activities.

Items Not Covered Under Your GET Exemption

This exemption **does not** apply to any income from any activity, the primary purpose of which is to produce income, even though such income is to be used for or in furtherance of the exempt activities of the organization.

This exemption **does not** apply to any pass-on of the GET to your organization. A business is subject to the GET on its transactions with tax-exempt organizations because the business is *not* tax-exempt even if its customers (i.e., nonprofit organizations) are tax-exempt. Therefore, the GET may be passed on to your organization when it purchases goods and/or services from businesses. For more information, please refer to Tax Facts 37-1, General Excise Tax (GET).

As a complement to the GET, the use tax is imposed against the importer of tangible personal property and/or services from an unlicensed out-of-state seller for further resale in Hawaii or for the importer's own use. Because sellers in Hawaii must pay the GET, it puts them at a price disadvantage with unlicensed out-of-state sellers who are not subject to the tax. The use tax equalizes the tax by imposing the use tax against importers purchasing from unlicensed sellers. This exemption **does not** apply to any use tax.

Hawaii Income Tax Filing Requirements

For income tax purposes, the organization is required to file Form N-70NP, *Exempt Organization Business Income Tax Return*, if it has **Hawaii** gross income of \$1,000 or more in unrelated trade or business income and it is required to file federal Form 990-T.

General Excise/Use Tax Filing Requirements

If your organization currently has a GET license, it must continue to file periodic (Form G-45) and annual (Form G-49) GET/Use tax returns. If your organization does not have a GET license it may be required to obtain one even if the organization's application for a GET exemption has been approved. The organization must obtain a GET license and file GET/use tax returns if it:

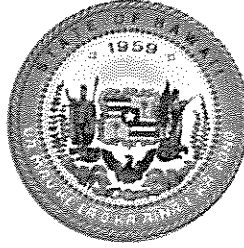
- (1) Is/will be engaging in any "fundraising activities" (i.e., activities conducted with the intention of generating income, and that are outside of your stated exempt purpose). The gross receipts from "fundraising activities" (e.g., bake sales, car washes, silent auctions, etc.) are subject to the GET; and/or
- (2) Has unrelated trade or business income; and/or
- (3) Is *required* to file federal Form 990, 990-EZ, or 990-T.

When Your GET Tax Benefits May Be Denied

Any nonprofit organization who is required to obtain a GET license and fails to do so or who has a GET license and fails to file Form G-49 within 12 months of the prescribed due date may be denied its GET benefits, such as exemptions, deductions, or lower tax rates pursuant to HRS § 237-9.3. See Tax Information Release Nos. 2010-05 and 2011-04 for more information.

Charity Registration Requirement

Effective January 1, 2009, organizations that solicit contributions are required to register with the Hawaii Attorney General unless exempted from the registration requirement. Please visit their website at ag.hawaii.gov/tax/ for more information.



**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

CERTIFICATE OF VENDOR COMPLIANCE

This document presents the compliance status of the vendor identified below on the issue date with respect to certificates required from the Hawaii Department of Taxation (DOTAX), the Internal Revenue Service, the Hawaii Department of Labor and Industrial Relations (DLIR), and the Hawaii Department of Commerce and Consumer Affairs

Vendor Name: DESIGN THINKING HAWAII

DBA/Trade Name: DESIGN THINKING HAWAII

Issue Date: 12/17/2018

Status: Compliant

Hawaii Tax#: W16707840-01
New Hawaii Tax#:
FEIN/SSN#: XX-XXX7636
UI#: No record
DCCA FILE#: 239002

Status of Compliance for this Vendor on Issue date:

Form	Department(s)	Status
A-6	Hawaii Department of Taxation	Compliant
	Internal Revenue Service (Compliant for Gov. Contract)	Compliant
COGS	Hawaii Department of Commerce & Consumer Affairs	Exempt
LIR27	Hawaii Department of Labor & Industrial Relations	Compliant

Status Legend:

Status	Description
Exempt	The entity is exempt from this requirement
Compliant	The entity is compliant with this requirement or the entity is in agreement with agency and actively working towards compliance
Pending	The entity is compliant with DLIR requirement
Submitted	The entity has applied for the certificate but it is awaiting approval
Not Compliant	The entity is not in compliance with the requirement and should contact the issuing agency for more information