

# Why and How to Develop an A.I. Policy for Your Nonprofit

As artificial intelligence tools become more powerful and accessible — including many free options like [ChatGPT](#), [Claude](#), or [Copilot](#) — lots of nonprofit professionals are already using them on the job. Yet few organizations have provided guidance or created policies on how employees can use A.I., what's not permitted, and processes they must follow to reduce potential risks.

A.I. is different from other technologies that emerged in the past because people are gravitating toward it and using it on their own, says Kim Snyder, vice president of data strategy at RoundTable Technology, which provides I.T. services for nonprofits and mission-driven small businesses. “Some of the statistics on this are quite mind-blowing,” she says, referring to the findings of a 2024 [study](#) by Microsoft and LinkedIn on workplace trends. “Employees want A.I. at work ... but if the organization itself doesn't have a policy around it, then the organization is allowing a certain amount of risk.”

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## Responsible AI steps to drive mission outcomes

Crafting an artificial intelligence (AI) governance policy is a critical step for any organization looking to ethically harness the power of AI.

At Microsoft, our responsibility to ensure that the AI capabilities we develop are safe, secure, ethical, unbiased, and serve society broadly and fairly is our top priority. This commitment dates back to 2017, when we brought together a team of researchers, engineers, and policy experts to develop a roadmap of [AI principles](#). We also formed the Office of Responsible AI to coordinate responsible AI governance and launched our [Responsible AI Standard](#), which provides a clear framework for how we identify and measure the potential for harm and build controls into our systems to mitigate risk from the very outset.

As nonprofits embark on their own AI implementations, investing in staff to spearhead institutional guidance and policies is critical. Here are a few steps for your key decision-makers to keep in mind along your AI governance journey:

- **Review** your organization's mission, vision, and values, and identify how AI can support or enhance the impact you deliver.
- **Assess** the current and potential use cases of AI within your organization and the associated risks, benefits, and ethical implications.
- **Define** the principles and guidelines that will inform your AI development, deployment, and governance processes, and align them with your organizational culture and values.
- **Establish** the roles and responsibilities of the stakeholders participating in your AI initiatives, and provide them with the necessary training, resources, and oversight.
- **Monitor, evaluate, and audit** your AI systems regularly, and ensure that they are transparent, accountable, and responsive to feedback.


To dive deeper into these concepts, explore some of our [recommended AI governance resources](#) and take the first step towards responsible AI deployment in your organization. And, if you're ready to leverage our nonprofit grants to further your mission impact, learn more at [microsoft.com/nonprofits](https://microsoft.com/nonprofits).

Sincerely,



Erin McHugh Saif

Chief of Industry Technology and Strategy, Microsoft Tech for Social Impact



## The perfect doesn't need to be the enemy of the good in the context of a set of technologies that are moving really quickly.

A solid A.I. policy sets up important guardrails while also taking the technology “out of the closet” for staff, Snyder says, by showing you’re aware people are likely already using it and offering a set of tools that have been approved by the organization.

Many nonprofit leaders want to create an A.I. policy but aren’t sure how to start or which kinds of risks they should be thinking about, says Nick Cain, director of strategic grants at the Patrick J. McGovern Foundation, a grant maker that promotes the ethical use of artificial intelligence and data science for social good. But you shouldn’t wait to have a perfect understanding of A.I. or know all the ways your organization will use it before setting some guidelines and boundaries, Cain says. “The perfect doesn’t need to be the enemy of the good in the context of a set of technologies that are moving really quickly.”

To help you build or strengthen an A.I. policy for your nonprofit, the *Chronicle* spoke with five experts who shared their advice for getting started, ways to ensure staff will value and follow the policy, and tips for keeping it up-to-date as tools and needs change. Here’s what they recommend.

### **Make sure your organization is ready for an A.I. policy.**

You need to have strong data policies in place as a foundation to build on, says Amy Sample Ward, CEO of NTEN, a nonprofit that provides technology education and support to other charities. “A lot of nonprofits actually don’t have any of those policies,” she says. “They’ve not done the work to kind of be ready to then do this work.”

For example, you should have a clear policy on data collection and retention. If you gathered data without consent, then you’ll also be using that data without consent when sharing it with A.I. Similarly, this policy should clarify what will happen to your organization’s data over time, including how long you’ll hold on to and use it.

A data privacy policy is another must-have, Ward says, so you can tell your community things like how you’re keeping their data safe, how you plan to use it, and how they can opt out of sharing their information. NTEN offers free [templates](#) for data policies that you can adapt for your nonprofit.

### **Talk about A.I. with your peers.**

The next time you meet with your nonprofit partners, ask them if they have an A.I. policy, what they are thinking about the technology, and how they plan to deal with it, Sample Ward suggests. This lets you learn from your peers and practice talking about A.I. in a casual way, she adds, so you’ll have more confidence when discussing the topic at staff or board meetings.

### **Take a “principles-based approach.”**

You can start by thinking about what high-level things you want to achieve or avoid with A.I. or which organizational values you want to be sure to uphold when using the technology, Cain suggests. Then define some clear “third rails” — boundaries employees need to know about before touching these tools, such as not entering personally identifiable information or your organization’s proprietary data into an A.I. system before checking with the appropriate department or staff member.

## **If you’re a small nonprofit or new to A.I., you could start by identifying some ways your organization might want to use the technology.**

You can explain that this policy will probably change more quickly than others because of how fast A.I. is evolving, Cain suggests, and say you will be watching the landscape and let everyone know about any updates.

If you’re a small nonprofit or new to A.I., you could start by identifying some ways your organization might want to use the technology and build your policy based on that, suggests Raffi Krikorian, chief technology officer at Emerson Collective, the philanthropy venture founded by Laurene Powell Jobs. For example, consider if there are tasks that involve writing or correspondence that eat up a lot of staff’s time. “And maybe those are the opportunities to use some generative A.I. to make the team more efficient and effective,” he says. “It might be super boring stuff, but it could actually add

up in the grand scheme of things. And then crafting a policy around that I think is the most interesting.”

### **Understand how employees are already using A.I.**

Send an anonymous survey to staff that asks if they are testing any tools and, if so, which ones, Sample Ward suggests. “It’s anonymous — you’re not trying to, like, catch anybody and say you’ve already broken the rules,” she says. “You didn’t have a policy yet. So this is like a no-fault situation, but you need to get as much honest feedback as you can before you build this policy.”

Figuring out which tools people are using and which they aren’t can help inform your priorities for this first version of the policy, such as if there are certain systems you need to evaluate to determine if they meet your organization’s criteria for approval.

### **Use tools that can help you.**

An online template is a good starting point. “It’s much easier than, say, starting with a blank slate,” Snyder says. “There’s no reason to do that.” Look for a comprehensive template like those offered by [RoundTable](#), [NTEN](#), or [Emerson Collective](#) and use it to get a sense for what you need to cover, including defining a set of tools, establishing processes, and determining which data sets, if any, you don’t want employees to share without being anonymized. These are organizational decisions, Snyder says, but you can use a template to start the conversation.

After you introduce the A.I. policy and employees start using it, you can assess whether you should make any changes, Sample Ward says. “Then you’ll have more



input to be able to come back and maybe finesse it into something that's even more tailored for your organization.”

Ginger Ausloos, vice president of information technology at the Association to Advance Collegiate Schools of Business, suggests another way to get started: Enlist ChatGPT to help you. It's worth paying \$240 for an individual annual [ChatGPT Plus](#) license. You can use the tool to create a first draft; plus, using the licensed version ensures that you can eliminate your data so it will not be shared with other users, she says.

Feed ChatGPT Plus information about where your staff is with A.I., relevant policies you already have, and your vision for A.I. adoption at the organization over the next year, she says. Attach an A.I. policy you like as an example and ask it to generate a first draft. “Not a final draft — it's an initial draft,” Ausloos says, “But it gets you started because sometimes it's the fear of starting, right? Or paralysis by analysis. ... Ironically, let the technology help you start.”

### **Ensure a successful rollout.**

How you build the policy matters. While the I.T. or operations department often leads the work of creating and deploying an A.I. policy, it's important to involve staff throughout the organization and get buy-in from leaders. It may be a bit more complicated, but taking a committee approach helps with adoption, Sample Ward says. It means there will be more people on different teams who will advocate for the policy because they'll feel like they helped shape it, and it belongs to them too; it's not just being sent down from I.T. or leadership.

It also means there won't be just one person on the staff responsible for answering questions related to the policy, Sample Ward says. “Questions could come to, you know, the person that you do work with every day that's on your team that was on that committee.”

If you go this route, make sure to involve employees with different levels of technical expertise on your committee, Cain says, so that conversations about how to use A.I. and how it's already being used reflect a broad spectrum of perspectives on the staff.

## **“Ironically, let the technology help you start.”**

When you introduce the policy, draw attention to it, Cain says. Don't just “ship it out as yet another policy on the intranet within an organization.” Instead, set aside time to discuss it with staff and maybe share some interesting ways employees are already using A.I. — anything that may inspire someone and show how the technology could help them. “And with that spark, they may then be both more intrigued and also aware that there's a policy that can give them guidance on how to use it appropriately,” he says.

Provide training on what the policy means and how staff should use it to make decisions, Sample Ward says. Offer training on approved tools, too, so that everyone will know what they are and can build confidence by trying them out. Some organizations keep a standing item on their staff meeting agendas to talk about A.I., she says, including new questions employees

have, tools the organization should explore, or new considerations for the policy.

You could hire outside experts like RoundTable to provide customized training on A.I., Snyder says, or look for free online resources from trusted organizations like [TechSoup](#), [LinkedIn Learning](#), or [Microsoft](#). “Encourage people to use it,” she says, “but you’re encouraging them to learn first.”

### **Keep it current.**

“You don’t have to take the temperature of A.I. every day, because you could,” Snyder says. But you should review your policy at least annually or every six months to keep up with how quickly tools are changing. You’ll also want to revisit it if your organization makes a big change in how it’s using A.I., such as adopting a completely new system or giving everyone access to the paid version of a tool.

A.I. tools are “incredibly data hungry,” Krikorian says, so setting some clear boundaries for how data is used and shared at your nonprofit can help guide decision making as technologies change. For example, you should define which kinds of data your

organization holds sacred and can’t be shared with any people or tools. It’s also important to understand what these tools do with your data and if you can delete all of it if you want to do so, he says. “I think if you have those two, you can stand a lot of the changes that are bound to come as business models evolve.”

### **Weave A.I. into your other policies.**

The Association to Advance Collegiate Schools of Business introduced its A.I. policy as an addendum to its broader acceptable use policy for equipment and technology, which employees sign electronically each year. A.I. is “just another technology” that the organization is offering to the staff and has to manage, Ausloos says, so they wanted to incorporate it in a way that felt natural.

The group is also including expectations for A.I. use in other organizational policies, such as those for business operations and volunteers. This approach helps ensure that the I.T. department leads the staff’s adoption of A.I. rather than reacting to it, she says. “I think it’s keeping us — we’ll never be ahead of it — but it’s keeping us closer to the front of our organization’s adoption.”