



AI Strategy & Policy Template

A comprehensive framework for developing your organization's AI strategy, governance structure, and acceptable use policy.

For Social Services Organizations

Cascade AI Consulting

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Now includes Part 6: Policy Planning Worksheet — guided questions to help your leadership team think through platform awareness, expectations & capacity, external transparency, and values alignment before completing the template.

A Free Resource from Cascade AI Consulting

Introduction

Artificial intelligence is rapidly becoming a tool that social services organizations can use to improve efficiency, reduce administrative burden, and ultimately serve more clients with the same resources. However, without a clear strategy and policy framework, AI adoption can lead to inconsistent implementation, compliance risks, and staff confusion.

This template provides a practical, nonprofit-friendly framework for developing an organizational AI strategy and policy. It is designed specifically for homeless services providers, behavioral health organizations, community action agencies, and other social services nonprofits in the Pacific Northwest. You can adapt this template to your organization's specific context, mission, and risk tolerance.

How to use this template: Replace bracketed sections [like this] with your organization's specific information. Remove sections that don't apply to your organization. Share the final policy with your board, leadership team, and all staff.

Part 1: AI Strategy

1.1 Executive Summary

[Organization Name] recognizes that artificial intelligence (AI) and automation technologies have the potential to improve our operational efficiency, enhance service delivery, and free up staff time for direct client care. This AI Strategy outlines our approach to identifying, evaluating, and implementing AI tools in a way that aligns with our mission, values, and compliance requirements.

Our AI Vision: [Insert 1-2 sentence vision statement, e.g., "We will use AI to reduce administrative burden on our staff, allowing them to spend more time with clients and less time on paperwork, while maintaining the highest standards of data security and client privacy."]

Our AI Goals (12-month horizon):

1. Identify and implement 2-3 high-impact AI automation opportunities that save staff time
2. Establish clear governance and decision-making processes for AI adoption
3. Build staff confidence and competency in using AI tools
4. Ensure all AI use complies with HIPAA, HMIS regulations, and organizational policies
5. Measure and report on the impact of AI initiatives (time saved, cost reduction, quality improvements)

1.2 Current State Assessment

Where we are today:

Area	Current State	Pain Point	Opportunity
Data Entry & HMIS	Manual data entry, multiple staff handling same data	15-20 hours/week lost to redundant entry	AI-powered data capture and HMIS automation
Document Processing	Policies, intake forms, reports created manually	Staff spend 10+ hours/week on document creation	AI-assisted document generation and templates
Email & Communication	No standardized templates or workflows	Inconsistent messaging, time spent on routine responses	AI email templates and chatbots for FAQs
Reporting & Analytics	Manual report compilation from multiple systems	8+ hours/month on grant reporting	AI-powered data aggregation and report generation
Staff Training	In-person training, inconsistent knowledge transfer	New staff onboarding takes 4+ weeks	AI-powered training materials and knowledge bases

Current AI maturity level: [Select one] Minimal (no AI tools in use) / Emerging (1-2 tools in use) / Developing (3-5 tools in use) / Advanced (6+ tools in use)

1.3 AI Adoption Roadmap

Phase 1 (Months 1-3): Foundation & Assessment

During this phase, we will conduct a thorough assessment of our workflows, identify AI opportunities, and build internal buy-in.

- Conduct workflow audit: Map current processes in data entry, reporting, document creation, and communication
- Identify top 3-5 AI opportunities: Prioritize based on time savings potential, cost, implementation complexity, and compliance risk
- Build AI literacy: Conduct staff training on AI basics, use cases, and limitations
- Establish governance structure: Form an AI Steering Committee (see Part 2 of this policy)
- Create implementation plan: Develop detailed roadmap for Phase 2

Phase 2 (Months 4-6): Pilot & Implementation

- Select 1-2 high-priority opportunities for pilot testing
- Identify pilot users and gather feedback
- Refine workflows based on pilot results
- Roll out to broader team
- Document lessons learned

Phase 3 (Months 7-12): Scale & Optimize

- Implement 2-3 additional AI tools based on Phase 2 learnings
- Establish ongoing monitoring and optimization processes
- Measure impact: time saved, cost reduction, quality improvements
- Plan for Year 2 expansion

1.4 Key Principles

Our AI adoption will be guided by the following principles:

Mission Alignment: All AI tools and implementations must support our mission to serve [insert your client population]. We will not adopt AI for its own sake, but only when it demonstrably improves our ability to serve clients or reduces burden on staff.

Client-Centered: AI will never replace human judgment in decisions that affect client services, safety, or dignity. AI is a tool to support staff, not to make autonomous decisions about client care.

Transparency & Accountability: We will be transparent with clients, staff, and funders about how we use AI. We will maintain clear accountability for AI-driven decisions and outcomes.

Data Security & Privacy: All AI tools must meet or exceed our data security and privacy standards. We will not use AI tools that compromise client confidentiality or violate HIPAA, HMIS, or other regulatory requirements.

Equity & Inclusion: We will ensure that AI tools do not introduce bias or discrimination. We will evaluate AI tools for potential disparate impact on clients and staff from marginalized communities.

Staff Empowerment: We will involve staff in the selection and implementation of AI tools. Staff will have the training and support they need to use AI effectively. AI will be used to enhance staff work, not to monitor or replace staff.

Part 2: AI Governance & Decision-Making Framework

2.1 AI Governance Structure

To ensure that AI adoption decisions are made thoughtfully and with input from multiple perspectives, [Organization Name] will establish an AI Steering Committee with representation from leadership, program staff, IT/operations, and compliance.

AI Steering Committee Composition:

Role	Responsibility	Reporting To
AI Steering Committee Chair (Executive Director or COO)	Oversee AI strategy, approve major initiatives, allocate budget	Board of Directors
Program Director(s) (2-3 representatives)	Represent frontline staff perspective, identify workflow pain points, pilot new tools	AI Steering Committee
Operations/IT Lead	Evaluate technical feasibility, manage implementation, ensure data security	AI Steering Committee
Compliance/Legal Lead (or external consultant)	Ensure regulatory compliance (HIPAA, HMIS, HUD), review data use agreements	AI Steering Committee
Finance Lead	Evaluate cost-benefit, manage budget, track ROI	AI Steering Committee

Meeting Frequency: Monthly (or quarterly once initial implementation is complete)

Decision Authority:

- **AI Steering Committee:** Approves new AI tool implementations, reviews quarterly impact reports, adjusts strategy based on learnings
- **Program Directors:** Identify workflow improvements, test tools with staff, provide feedback
- **Executive Director:** Final approval on budget allocation and major strategic decisions; escalates to Board if significant risk or cost

2.2 AI Tool Evaluation Framework

Before adopting any new AI tool, the AI Steering Committee will conduct a structured evaluation using the following criteria:

1. Alignment & Impact

- Does this tool support our mission and strategic goals?
- What is the estimated time savings or cost reduction? (Quantify where possible)
- What is the implementation timeline and effort required?
- What is the risk of not adopting this tool? (Competitive disadvantage, staff burnout, compliance issues)

2. Technical & Operational Feasibility

- Is the tool compatible with our existing systems (HMIS, email, document management)?
- What training will staff need? How much time will it take?
- What is the learning curve? How quickly can staff become proficient?
- What is the ongoing support and maintenance requirement?

3. Data Security & Compliance

- Does the vendor have SOC 2 certification or equivalent security standards?
- Is the tool HIPAA-compliant? (If handling PHI)
- Are there clear data processing agreements (DPA) in place?
- Where is data stored? (On-premise, cloud, vendor servers?)
- What is the vendor's data retention and deletion policy?
- Is there a clear incident response plan if data is breached?

4. Cost-Benefit Analysis

- What is the total cost of ownership? (Subscription, training, implementation, support)
- What is the estimated ROI? (Time saved x hourly rate, cost reduction, quality improvement)
- What is the payback period?
- Are there hidden costs? (Integration, customization, ongoing training)

5. Vendor Reliability & Support

- How long has the vendor been in business?
- What is their financial stability?
- What is the quality of customer support? (Response time, expertise, availability)
- Are there customer references we can contact?
- What is the vendor's roadmap? Are they actively developing new features?

6. Staff & Client Impact

- How will this tool affect staff workload and job satisfaction?
- Will any staff be displaced or need to change roles? (Plan for transition)
- How will this tool affect client experience?
- Are there any equity or bias concerns with this tool?

- How will we communicate this change to staff and clients?

2.3 AI Tool Evaluation Template

Use this template to evaluate each AI tool before adoption:

Tool Name: [e.g., "Zapier for HMIS data automation"]

Proposed Use Case: [Brief description of what problem this solves]

Evaluation Scores: (Rate 1-5, with 5 being excellent)

Criterion	Score	Notes
Alignment with mission & goals	___	
Time savings / cost reduction potential	___	
Technical feasibility	___	
Data security & compliance	___	
Cost-benefit ratio	___	
Vendor reliability	___	
Staff & client impact	___	
Total Score	**___/35**	

Recommendation: [Approve / Approve with conditions / Pilot first / Reject]

Conditions (if applicable): [e.g., "Approve only if vendor provides HIPAA BAA", "Pilot with 2-3 staff first", "Implement only after staff training is complete"]

Implementation Plan: [Timeline, responsible parties, success metrics]

Risk Mitigation: [How will we address identified risks?]

Part 3: AI Policy

3.1 Acceptable Use Policy

Scope: This policy applies to all staff, contractors, and volunteers who use AI tools on behalf of [Organization Name].

Approved AI Tools: The following AI tools have been approved by the AI Steering Committee for use in our organization:

Tool	Use Case	Approved Users	Data Sensitivity
[Tool Name]	[e.g., "HMIS data automation"]	[e.g., "Data entry staff"]	[e.g., "High - PHI"]
[Tool Name]	[e.g., "Document drafting"]	[e.g., "All staff"]	[e.g., "Low"]

Prohibited Uses:

Staff must NOT use AI tools for:

- Making autonomous decisions about client eligibility, services, or safety without human review
- Analyzing client data without explicit consent and documented business purpose
- Creating content that could be discriminatory, biased, or harmful to clients or staff
- Accessing, storing, or processing client data on unapproved tools or personal accounts
- Sharing confidential organizational information with AI tools (e.g., ChatGPT, Claude) without explicit approval
- Replacing human judgment in situations where human oversight is required by policy or regulation

Approved Uses:

Staff MAY use AI tools for:

- Drafting routine communications (emails, letters) that will be reviewed and edited by a supervisor
- Creating templates and standard operating procedures
- Summarizing data or reports for internal use
- Automating repetitive data entry or administrative tasks
- Generating training materials or educational content
- Analyzing de-identified data to improve operations

3.2 Data Privacy & Security Requirements

Data Classification:

All data used with AI tools must be classified as follows:

- **Confidential (High Risk):** Personally identifiable information (PII), protected health information (PHI), Social Security numbers, financial information, HMIS data, client case notes
- **Internal (Medium Risk):** Organizational policies, staff information, budget data, program statistics
- **Public (Low Risk):** Marketing materials, published reports, general organizational information

Data Handling Rules:

Data Classification	Approved AI Tools	Approval Required	Notes
Confidential	Only approved, HIPAA-compliant tools	Executive Director + Compliance Lead	Must have Business Associate Agreement (BAA)
Internal	Approved tools + limited cloud tools	AI Steering Committee	Avoid tools that retain data
Public	Any tool	No approval needed	Clearly mark as public before sharing

Data Minimization: When using AI tools, share only the minimum data necessary to accomplish the task. For example:

- Instead of sharing an entire client case file, share only the specific information needed
- Use de-identified or anonymized data whenever possible
- Remove names, dates of birth, and other identifying information before sharing with AI tools

Data Retention: Ensure that AI tools do not retain your data longer than necessary. Review vendor data retention policies and configure tools to delete data after processing.

3.3 Staff Training & Competency

AI Literacy Training: All staff will complete an AI Literacy Training within 30 days of hire or by [insert date]. Training will cover:

- What is AI and how does it work? (Basic concepts, not technical)
- What are the benefits and limitations of AI?
- How will [Organization Name] use AI?
- What are the risks and safeguards?
- How to use approved AI tools responsibly
- What to do if you have concerns about AI use

Tool-Specific Training: Staff who will use specific AI tools will receive training on that tool before using it. Training will cover:

- How to use the tool effectively
- What data can and cannot be shared
- How to troubleshoot common issues
- When to escalate concerns to a supervisor

Ongoing Support: [Organization Name] will provide ongoing support for AI tool use, including:

- Monthly "office hours" where staff can ask questions
- Documentation and video tutorials
- A designated AI Champion (staff member who is knowledgeable about tools and can help colleagues)
- Quarterly feedback sessions to identify improvements and address concerns

3.4 Monitoring & Accountability

Quarterly Review: The AI Steering Committee will review the following metrics quarterly:

- Which AI tools are being used and by whom?
- What is the adoption rate? (% of eligible staff using the tool)
- What is the estimated time saved or cost reduction?
- Have there been any data security incidents or compliance issues?
- What feedback have we received from staff and clients?
- Are there any equity or bias concerns?

Incident Reporting: If a staff member suspects that an AI tool has been misused or that there has been a data security incident, they should report it immediately to [insert name/role]. The incident will be investigated and documented.

Annual Policy Review: This policy will be reviewed and updated annually by the AI Steering Committee. Updates will be communicated to all staff.

Part 4: Implementation Checklist

Use this checklist to implement this AI Strategy and Policy:

Month 1:

- Form AI Steering Committee and schedule first meeting
- Share this policy with leadership team and board for feedback
- Conduct staff survey to identify pain points and AI opportunities
- Schedule AI Literacy Training for all staff

Month 2:

- Complete AI Literacy Training for all staff
- Conduct workflow audit (map current processes)
- Identify top 3-5 AI opportunities
- Create AI tool evaluation rubric

Month 3:

- Evaluate top AI tools using evaluation framework
- Select 1-2 tools for pilot testing
- Identify pilot users and schedule tool-specific training
- Create implementation plan for Phase 2

Month 4-6:

- Pilot selected AI tools with small group of staff
- Gather feedback and refine workflows
- Roll out to broader team
- Document lessons learned

Month 7-12:

- Implement 2-3 additional AI tools
- Measure impact (time saved, cost reduction, quality improvements)
- Conduct quarterly reviews with AI Steering Committee
- Plan for Year 2 expansion

Part 5: Frequently Asked Questions

Q: Will AI replace my job?

A: No. AI is a tool to help you do your job more efficiently, not to replace you. We will use AI to automate repetitive, time-consuming tasks so that you can focus on what you do best: serving clients and building relationships. If an AI tool changes your role, we will provide training and support to help you transition.

Q: Is my client data safe?

A: Yes. We only use AI tools that meet strict data security and privacy standards. All tools that handle client data have a Business Associate Agreement (BAA) and are HIPAA-compliant. We also minimize the amount of data we share with AI tools and configure them to delete data after processing.

Q: What if I'm not comfortable using AI?

A: That's okay. We will provide training and support to help you feel confident using AI tools. If you have concerns, please talk to your supervisor or the AI Steering Committee. We want everyone to feel comfortable and supported.

Q: How do I report a problem with an AI tool?

A: If you encounter a problem or have a concern about an AI tool, please report it to [insert name/role]. We will investigate and work to resolve the issue.

Q: Can I use AI tools that aren't on the approved list?

A: No. You should only use AI tools that have been approved by the AI Steering Committee. If you would like to suggest a new tool, please talk to your supervisor or the AI Steering Committee.

Appendix A: Glossary of AI Terms

Artificial Intelligence (AI): Computer systems that can perform tasks that typically require human intelligence, such as learning, reasoning, and problem-solving.

Machine Learning: A type of AI that learns from data and improves over time without being explicitly programmed.

Automation: Using software or AI to perform repetitive tasks without human intervention.

Chatbot: An AI tool that can have conversations with humans and answer questions.

Large Language Model (LLM): An AI model trained on large amounts of text data that can generate human-like text, answer questions, and perform language tasks.

Data Privacy: The practice of protecting personal information from unauthorized access or misuse.

HIPAA: The Health Insurance Portability and Accountability Act, which protects the privacy and security of health information.

HMIS: The Homeless Management Information System, which is used to track client data in homeless services organizations.

Business Associate Agreement (BAA): A legal agreement between an organization and a vendor that specifies how the vendor will handle protected health information (PHI).

Appendix B: Resources for Further Learning

AI for Nonprofits:

- TechSoup: AI for Nonprofits Learning Hub (<https://www.techsoup.org/>)
- Nonprofit Tech for Social Good: AI Resources (<https://www.nptechforgood.com/>)

Data Security & Compliance:

- HHS HIPAA for Professionals (<https://www.hhs.gov/hipaa/for-professionals/index.html>)
- HMIS Data Quality Standards (<https://www.hudexchange.info/hmis/>)

AI Tools for Nonprofits:

- Zapier: Workflow Automation (<https://zapier.com/>)
 - Make (formerly Integromat): Workflow Automation (<https://www.make.com/>)
 - ChatGPT: General AI Assistant (<https://openai.com/chatgpt/>)
 - Claude: AI Assistant (<https://www.anthropic.com/claude/>)
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Part 6: Policy Planning Worksheet

The template above gives you the structure. This worksheet helps your leadership team think through the harder questions before filling it in. Complete this as a team exercise — ideally with your AI Steering Committee, or at minimum with your Executive Director and 2-3 program leaders. These questions address areas that most organizations overlook when drafting AI policy, and getting alignment here first will make the rest of the template much easier to complete.

Time to complete: 45-60 minutes as a group discussion

6.1 Platform Awareness & Tool Management

Your policy needs to address not just which tools you'll use today, but how you'll manage a constantly changing technology landscape.

Which AI tools will your organization approve for use? Which are explicitly prohibited?

For each approved tool, what is the data retention and training policy?

Consider: Does the vendor store your inputs? Are your inputs used to train their models? Does the tool offer enterprise/team versions with different data policies than free consumer versions?

Tool	Data Retained?	Used for Training?	Enterprise/BAA Available?
[Tool 1]			
[Tool 2]			
[Tool 3]			

What sensitivity levels require different tools or protections?

Use the Data Classification table in Section 3.2, but discuss specifically: Are there types of work where staff might be tempted to use a consumer AI tool for convenience even though the data sensitivity requires an enterprise tool? How will you address that?

How will you stay current as tools and policies change?

AI tools update their terms of service, data policies, and capabilities frequently. Who is responsible for monitoring these changes? How often will you review your approved tools list?

6.2 Expectations & Capacity

This is the section most organizations skip — and it's the one that determines whether AI adoption actually improves your team's experience or just increases expectations.

How will time saved through AI efficiency be redirected?

This is a critical leadership decision. If AI saves a case manager 45 minutes per day on documentation, does that mean:

- More time for direct client contact
- Reduced overtime / staff leave on time
- Increased caseload capacity
- Time for professional development
- Combination (describe): _____

Be explicit about this. If leadership hasn't decided, staff will assume the worst (more work for the same pay). State your intention clearly in the policy.

What are realistic expectations for different roles?

Not every role will use AI the same way. A case manager might use it daily for notes; a program director might use it weekly for reports; an Executive Director might use it monthly for board materials. What does "expected proficiency" look like for each role?

Role	Expected AI Use	Frequency	Proficiency Level
[e.g., Case Manager]	[e.g., Case note drafting]	[e.g., Daily]	[e.g., Independent use]
[e.g., Program Director]	[e.g., Report drafting, data analysis]	[e.g., Weekly]	[e.g., Independent use]

Role	Expected AI Use	Frequency	Proficiency Level
[e.g., Admin/Front Desk]	[e.g., Email templates, scheduling]	[e.g., Daily]	[e.g., Guided use]

How will you build AI capacity across the team rather than concentrating it in one person?

Research shows 43% of nonprofits rely on a single person for all AI and IT decisions (TechSoup, 2025). What is your plan to distribute knowledge so that your AI program doesn't collapse when one person goes on vacation, changes roles, or leaves?

What happens when AI-based workflows fail?

Tools go down. Vendors change pricing. A key automation breaks. What is your contingency plan? Can staff still do their work if AI tools are unavailable for a day? A week?

6.3 External Transparency & Disclosure

Your acceptable use policy (Section 3.1) covers internal rules. This section addresses what you tell the outside world.

What do your stakeholders need to know about your AI use?

Consider each audience:

Audience	What They Need to Know	How You'll Communicate It
Clients / Participants	[e.g., "AI helps us draft your case notes, but a human always reviews them"]	[e.g., Participant handbook, verbal disclosure at intake]
Funders / Grantors	[e.g., "AI assists with report drafting; all data and narratives are verified by staff"]	[e.g., Proactive disclosure in grant applications]

Audience	What They Need to Know	How You'll Communicate It
Board of Directors	[e.g., "We use AI for X, Y, Z with these safeguards"]	[e.g., Annual AI impact report]
Partner Agencies	[e.g., "Referral communications may be AI-drafted and human-reviewed"]	[e.g., MOU language or informal disclosure]

What is your approach to AI attribution in grants, reports, and communications?

This is an emerging area without universal standards, but getting ahead of it builds trust. Consider:

- Will you disclose AI assistance in grant narratives? If so, how? (e.g., footnote, methodology section)
- Will you disclose AI assistance in reports to funders?
- Are there funders who have explicit policies about AI use you need to comply with?

What follow-up options will you provide if someone wants human attention?

If a client, funder, or partner receives an AI-assisted communication, how can they request direct human engagement instead?

6.4 Values Alignment & Knowing When Not to Use AI

Your Key Principles (Section 1.4) establish the foundation. This section pushes your team to apply those principles to harder edge cases.

How do you ensure AI serves your mission rather than the other way around?

It's easy to adopt AI tools because they're exciting or because other organizations are using them. What is your test for whether an AI implementation truly serves your mission versus just being a shiny new tool?

When should you choose NOT to use AI, even if it would be more efficient?

This is the most important question in this worksheet. Discuss as a team and list specific scenarios where human effort is the right choice even when AI could do it faster. Examples to consider:

- A client is in crisis and needs to feel heard by a real person — should the follow-up email be AI-drafted or hand-written?
- A funder asks a nuanced question about program outcomes — should the response be AI-assisted or entirely human?
- A staff member is writing a letter of support for a client's housing application — does AI help or hurt the authenticity?

How will you maintain dignity and respect in AI-assisted work with vulnerable populations?

Social services organizations work with people at their most vulnerable — people experiencing homelessness, people in recovery, people fleeing violence. AI can inadvertently strip the humanity from interactions. What guardrails will you put in place?

Consider:

- How will you ensure AI-drafted communications still feel personal and human?
- How will you prevent AI from making assumptions or generalizations about clients?
- How will you ensure that efficiency gains don't come at the cost of the relational aspects of your work?

What values and ethical principles guide your AI decisions beyond compliance?

Compliance (HIPAA, HUD, etc.) sets the floor. What are your organization's values that set a higher bar? For example:

- "We will never use AI to make eligibility or placement decisions, even if the technology could support it"
- "We will always prioritize relationship over efficiency in direct client interactions"
- "We will involve people with lived experience in evaluating AI tools that affect client services"

6.5 Next Steps

After completing this worksheet as a team:

1. **Review your answers for consensus.** Where did your team agree easily? Where was there tension? The areas of tension are the ones that need the most attention in your final policy.
 2. **Fill in the template.** Use your answers to complete Parts 1-5 of this document. Your worksheet responses will inform the specific language, especially in Sections 1.4 (Key Principles), 3.1 (Acceptable Use), and 3.2 (Data Privacy).
 3. **Share a draft.** Circulate the completed policy to all staff for feedback before finalizing. Staff who feel included in the process are far more likely to follow the policy.
 4. **Set a review date.** AI is evolving rapidly. Commit to reviewing this policy at least every six months for the first year, then annually thereafter.
 5. **Revisit this worksheet.** As your organization's AI maturity grows, your answers to these questions will change. That's a good sign — it means you're learning.
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Document Control

Version	Date	Author	Changes
1.0	[Insert Date]	[Insert Name]	Initial draft

Approval Sign-Off:

Role	Name	Signature	Date
Executive Director			
Board Chair			
AI Steering Committee Chair			

This template is provided as a free resource by Cascade AI Consulting. Feel free to adapt it to your organization's specific context, mission, and needs. For questions or assistance with implementation, contact [your contact information].