1 Introduction

1.1 This policy outlines how Foundation Scotland [FS] uses artificial intelligence [AI] in its work and sets clear guidelines for staff and trustees to ensure the responsible use of AI technologies. We recognise AI is a developing technology that can enhance our efficiency whilst delivering high-quality services to all internal and external stakeholders and maintaining our commitment to thoughtful grant-making, reporting and analysis.

1.2 We also recognise the risks involved in using AI, especially regarding the potential to exacerbate existing inequalities. This policy outlines the steps Foundation Scotland is taking to mitigate these risks.

2 Scope

2.1 The policy applies to all employees. It also applies to individuals performing functions on behalf of FS including trustees and consultants (including external assessors). All employees and associated persons are expected to adhere to the principles set out in this policy.

3 Abbreviations and Definitions

Abbreviations

- AI – Artificial Intelligence
- AIG – AI Group – a staff working group within FS set up to oversee the roll out of AI.
- CRM – Customer Relationship Management. The system used to manage applicants, donations, loans, and contacts.
- MILO – FS's Intranet

Definitions

- AI refers to technologies that perform tasks typically requiring human intelligence. This includes tools like ChatGPT, Microsoft Copilot, Salesforce AI, and AI-assisted writing tools.
- Salesforce refers to the CRM system which FS currently uses.

4 Policy

Authorised AI Tools

- Only AI tools approved by the AIG may be used for FS work.
- Staff must submit requests for new AI tools through the AIG.

- The AIG will maintain and circulate an updated list of approved AI tools via the MILO Systems Area.
- Approved tools must meet our data protection, security, and ethical standards.

Core Principles

- **AI as a Tool to Support and Enhance Human Work**

  We use AI to support and enhance the work of our people, enabling them to focus on tasks that require human expertise, empathy and judgment. AI must complement, not replace, human decision-making.

- **Human Oversight and Accountability**

  AI-generated content and recommendations must always be reviewed by a human. Staff remain accountable for work produced using AI, just as they would for work done without AI tools.

- **Transparency in AI Use and Decision-Making**

  We are open about how we use AI, both internally and externally. We communicate its role, limitations, and oversight processes to ensure stakeholders understand how we use AI tools.

- **Commitment to Fairness, Inclusion, and Equity**

  We actively seek to identify and prevent bias in AI systems and strive for AI use that promotes inclusivity, fairness, and benefits to all. AI must not reinforce discrimination or create unintended inequalities.

- **Ongoing Support, Training, and Knowledge-Sharing**

  We provide training, guidance, and support to ensure all staff feel confident using AI responsibly. We also promote the sharing of staff knowledge and experiences, to build organisational learning.

- **AI Should Benefit Both Staff and Communities**

  AI should improve the efficiency and effectiveness of our processes while also creating meaningful benefits for the communities we serve. We avoid unnecessary uses that do not add value.

- **Responsible Data Protection and Privacy**

  AI must only process personal or sensitive data through approved, secure systems. We apply privacy and security by design, ensuring compliance with data protection laws and safeguarding information.

- **AI Use Must Align with Organisational Values and Ethical Practices**

  AI must be used in a way that aligns with our purpose and values. We ensure ethical responsibility by considering the societal impact of AI use beyond just compliance with regulations.

- **Monitoring and Continuous Evaluation of AI's Impact**

  We regularly assess AI's impact on our work, staff, and stakeholders, adapting our approach based on what we learn. We modify our AI use as technology and ethical considerations evolve.

Permitted Uses

- Document drafting.

- Proofreading, spelling and grammar checking.
- Research and analysis.
- Meeting summaries.
- Initial grant application screening.
- Communication drafts.
- Due diligence checks on applicants
- Generating preliminary grant assessment reports.
- Infographics.

Salesforce AI Integration

4.1 FS uses native Salesforce AI capabilities for:

- Initial application screening and shortlisting.
- Pattern recognition in grant applications.
- Identifying potential matches between applications and fund criteria.
- Generating preliminary assessment reports.
- Case study drafting and analysis.

Important notes on Salesforce AI use:

- All AI-generated shortlists and assessments require human review.
- Staff must verify AI-identified patterns and matches.
- AI suggestions are guidance only and not final decisions.
- Regular audits of AI-generated content ensure accuracy and fairness.

Prohibited Uses

- Legal or specialist advice.
- Processing personal or sensitive data outside of approved systems.
- Generating photo-images of our work or the people we work with.
- Automated decision-making without human oversight.

Due Diligence

- AI tools may be used to assist in preliminary due diligence checks of applicants
- All AI-assisted due diligence findings must be verified by staff.
- Multiple sources should be used to verify information.
- Regular reviews of AI due diligence accuracy will be conducted and learning fed-back into the AI tools.

Usage of AI in Grant Applications

- Understand that applicants may use AI however reinforce the need for them to apply human oversight.
- Continue to assess all applications on their merits.
- Be transparent about any AI we use in assessment.
- Regularly review our AI draft results.

Data Protection

- Personal or sensitive data should only be processed through approved, secure AI systems.
- Any data breaches involving AI must be reported immediately as per the Data Protection policy.
- Daily deletion of AI chat histories is required.
- Salesforce AI data handling complies with our data protection policies.

Development and Review

- FS recognises AI tools are rapidly evolving.
- Regular staff training and support will be provided on new AI capabilities.
- Feedback on AI tool effectiveness will be collected by the AIG.
- Monthly reviews of AI system performance will be conducted by the AIG, with regular oversight by the LT, using external IT support when required.
- The AIG will carry out assessment of emerging AI technologies and their potential application on an ongoing basis.

5 Roles and Responsibilities

- Managers must ensure their team members gain the support and training required to be capable and confident in using AI tools, drawing on internal training and external training as required and helpful.
- Managers are responsible for ensuring their teams understand follow and adopt this policy.
- Staff members are responsible for checking AI-generated content for accuracy, readability and tone
- The AIG, taking external IT advice when required, oversees the approved tool list and security compliance.
- For the first year of this policy, it will be kept under continual review and modifications reported to the LT and Audit and Assurance Committee, who maintain oversight on behalf of the Foundation Scotland Board.

6 References

- Charity Excellence https://www.charityexcellence.co.uk/ai-for-charities-and-non-profits
- Jospeh Rowntree Foundation – Grassroots and non-profit perspectives on generative AI

- Information Commissioner's Office – Guidance on AI and data protection

7 Review

7.1 This policy is reviewed, approved, and endorsed by the Board of trustees. It is updated when required by legislation, to ensure that it reflects statutory responsibilities, government guidance and best practice for FS or every 36 months whichever is the soonest.

8 Document Properties

Title	Artificial Intelligence Policy		
Type	Policy	Classification	IT and Data
Reference Number	73	Version - auto-generated	0.23
Status	Approved	Approval Date	02/07/2025
Author	CFOO	Approver	CEO
Last Reviewed regardless of whether changed	01/07/2025	Next Review Date	01/07/2028