

Procurement Checklist for nonprofits based on best practices and recent guidance, combining insights from procurement readiness, compliance, and nonprofit implementation:

Nonprofit AI Procurement Checklist (2025)

1. Define Your AI Strategy & Objectives

- Identify clear goals for AI use aligned with your nonprofit's mission (e.g., donor engagement, program evaluation, administrative automation).
- Determine success metrics to evaluate AI impact (efficiency gains, cost savings, increased donations).
- Engage key stakeholders (board, leadership, staff) early for buy-in and feedback.

2. Assess Data Readiness & Integration

- Ensure your data is clean, well-organized, and accessible for AI tools.
- Confirm you have rights and permissions to use beneficiary, donor, and operational data with AI vendors.
- Plan for secure integration of AI solutions with existing systems (Google Workspace, CRM, fundraising platforms).

3. Evaluate Compliance & Ethical Risks

- Verify AI tools comply with California laws (CCPA, CPRA, HIPAA, AI transparency and employment laws).
- Require vendors to provide documentation on AI model sources, training data, and bias mitigation practices.

- Conduct AI impact assessments focusing on fairness, privacy, and human oversight.
- Ensure human-in-the-loop controls for decisions affecting people.

4. Select & Vet AI Vendors Carefully

- Review vendor expertise, diversity of their development teams, and track record with nonprofits.
- Confirm vendor compliance with nonprofit data security and privacy standards.
- Assess vendor support for training, onboarding, and ongoing monitoring.
- Consider scalability, customization, and total cost of ownership.

5. Plan Change Management & Training

- Develop training programs for staff and volunteers on AI tool use and data privacy.
- Communicate openly with beneficiaries and donors about AI use and data protections.
- Prepare for workflow adjustments and continuous improvement based on user feedback.

6. Define Costs, ROI & Funding

- Identify all costs (licensing, integration, training, support) and potential funding sources.
- Estimate ROI based on efficiency gains, fundraising improvements, or service delivery enhancements.
- Explore donation-based or discounted AI tools available to nonprofits (e.g., Google Workspace AI tools).

7. Implement Monitoring & Governance

- Establish an AI oversight committee or designate responsible staff for ongoing governance.
- Monitor AI performance, bias, and compliance regularly.

- Maintain clear documentation and audit trails for AI use and decisions.
- Develop an AI incident response plan for addressing errors or breaches.

8. Pilot & Scale Thoughtfully

- Start with small pilot projects to validate AI benefits and identify challenges.
 - Collect and analyze data on pilot outcomes to inform broader rollout.
 - Adjust policies, training, and technology based on pilot learnings before scaling.
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Additional Resources for Nonprofits

- JAGGAER's AI Procurement Readiness Checklist
 - NeuralTrust AI Compliance Checklist 2025
 - BDO's Guide to Nonprofit AI Implementation
 - White House AI Procurement Guidance (for federal and grant-aligned nonprofits)
 - Google Workspace for Nonprofits AI Tools
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Summary:

Preparing your nonprofit for AI procurement requires a strategic, ethical, and data-driven approach. By following this checklist, you can ensure your organization selects compliant, effective AI solutions that enhance your mission while protecting your community's data and trust.
