

Transparency & Disclosure Toolkit for Nonprofits Using AI (2025)

Why Transparency & Disclosure Matter

Transparency is a legal and ethical cornerstone for nonprofits using AI. California's new AI laws (SB 942, AB 2013, AB 1008) require clear disclosure of AI-generated content, training data sources, and personal information handling. Donors, beneficiaries, and regulators expect nonprofits to be open about how AI influences decisions, communications, and data use. This toolkit helps your organization meet legal requirements, build trust, and promote accountability.

Key Elements of a Nonprofit AI Transparency Program

1. AI Use Disclosure Statement

- **Publish a clear statement** on your website and in donor communications describing:
 - What AI tools you use (e.g., for donor analytics, communications, grant review).
 - How AI supports (not replaces) human decision-making.
 - The types of data AI systems process and safeguards in place.
- **Example:**
"[Nonprofit Name] uses artificial intelligence to enhance donor engagement and streamline operations. All AI-assisted decisions are reviewed by staff, and your data is protected under strict privacy policies."

2. AI-Generated Content Marking

- **Comply with California SB 942:**
 - Clearly label AI-generated images, text, and media with a conspicuous disclosure that is easily recognized by users.
 - For images: Ensure a permanent, detectable “latent disclosure” is embedded, including provider name, AI system/version, timestamp, and unique identifier.
 - For text/content: Add a visible note such as “This content was generated with the assistance of AI.”
- **Maintain documentation** of all disclosures for compliance.

3. Training Data Transparency

- **Comply with AB 2013:**
 - If you develop or deploy generative AI, post a high-level summary of the data used to train your AI systems on your website.
 - Include data sources, copyright status, and whether personal information is present.

4. Stakeholder Communication

- **Regularly inform donors, staff, and beneficiaries** about:
 - How AI is used in your operations and decision-making.
 - Their rights regarding data privacy and how to request more information.
 - Channels for feedback or concerns (e.g., dedicated email, feedback form).

5. Internal Documentation & Governance

- **Maintain internal records** of:
 - All AI tools in use and their purposes.
 - Decision criteria for AI-driven processes.

- Audit logs of AI outputs, reviews, and any incidents.
- **Assign responsibility** for AI transparency (e.g., Chief AI Officer, Ethics Committee).

6. Policy & Training

- **Incorporate transparency requirements** into your AI policy and staff handbook.
- **Train staff and volunteers** on disclosure practices, legal obligations, and how to explain AI use to stakeholders.

7. Continuous Review

- **Regularly review and update** your transparency practices as laws, technology, and stakeholder expectations evolve.
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Sample AI Use Disclosure Statement

AI Use at [Nonprofit Name]

We use artificial intelligence (AI) tools to help us analyze donor trends, automate communications, and improve our programs. All AI-assisted decisions are reviewed by our staff. Any content, images, or reports generated by AI are clearly labeled. We are committed to transparency and welcome your questions about our use of AI. Contact us at [contact email] for more information.

Checklist for AI Transparency & Disclosure

- Publish an AI use statement on your website and in key materials
- Clearly label all AI-generated content (text, images, media)

- Disclose AI training data sources if developing or deploying generative AI
 - Maintain internal documentation of AI systems and decision processes
 - Assign staff responsibility for AI transparency and compliance
 - Provide regular staff training on AI disclosure and transparency
 - Offer clear channels for stakeholder feedback and questions
 - Review and update disclosures annually or as regulations change
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References & Further Reading

- California SB 942, AB 2013, AB 1008
 - Hedgeman Law: How Nonprofits Can Develop an AI Policy
 - 501c3.org: Leveraging AI Responsibly at Your Nonprofit
 - BDO: A Guide to Nonprofit AI Implementation
 - National Philanthropic Trust: Due Diligence, Disinformation, and AI in Philanthropy
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This toolkit should be reviewed and customized for your nonprofit's specific operations and legal obligations.