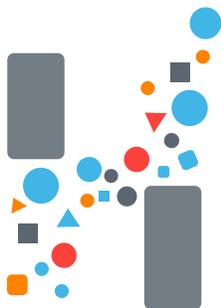


Headwaters Foundation AI Values & Guidelines
Ethical AI Use at Headwaters: A Living Framework

September 2025



**Headwaters
Foundation**
BE THE SOURCE OF CHANGE

Contents

- Purpose and Vision..... 3
- Our Commitments to Ethical and Equitable AI Use 3
- Our Six Guiding Intentions for AI..... 4
 - Intention 1: Choose intentionally where we may use AI internally 4
 - Intention 2: Prohibit AI uses where appropriate for community safety 4
 - Intention 3: Collectively maintain a vetted AI list of tools 4
 - Intention 4: Share AI learnings externally 5
 - Intention 5: Commit to continuous training and capacity building..... 5
 - Intention 6: Build internal and external accountability to AI use 5
- Reflections in Action: What We Learned Together..... 6
- Key Learning Themes from the Internal Reflections from Workshop #1..... 7



Purpose and Vision

Headwaters Foundation is committed to equity, relationship-building, and community-centered work. As we respond to the needs of this sector in this moment, where artificial intelligence (AI) intersects with philanthropy, we believe it is essential to engage AI with intentionality, transparency, and alignment with our core values. This framework outlines how we will explore and use AI tools to support our internal workflows, grantee relationships, and sector learning—while maintaining our commitment to ethical, inclusive, and human-centered practices.

We do not see AI as a replacement for human connection or wisdom, but as a possible support in reducing repetitive work, freeing up time for strategy and creativity, and making our internal processes more effective and thoughtful.

Our Commitments to Ethical and Equitable AI Use

The following commitments are intended to guide our AI approach in ways that are relational, place-based, justice-oriented, and aligned with the principles of the Headwaters Foundation.

- **Center People, Not Just Productivity:** AI should enable more time for trust-building and community support—not just automate for the sake of efficiency.
- **Respect Community-Led Solutions:** Any AI-supported storytelling, analysis, or decision-support must value and uplift local expertise. We will explore ways for community members, grantees, and partners to reflect on and publish their own AI learnings—not only internal staff narratives.
- **Address rural and frontier realities:** Our AI choices should acknowledge that not all communities have equal digital access or infrastructure. Tool adoption should never exclude or disadvantage rural, Indigenous, or frontier organizations we serve. We will prioritize tools that work in low-bandwidth environments and support regional language/context.
- **Prioritize Transparency and Accountability:** We will be transparent—internally and externally—about where and how AI is being used.
- **Consider Bias and Inclusion:** AI systems often replicate biases from their creators or datasets. We will engage tools with a critical eye, especially in how they may misrepresent, exclude, or oversimplify the voices of historically marginalized communities.

- **Minimize Environmental Harm:** We recognize AI's resource consumption (e.g., energy, water) and will prioritize tools with more sustainable practices when possible (refer to sections how not to use AI below)
- **Uphold Learning and Care:** This framework is a living document. Our exploration of AI is iterative, and our use will be guided by continued learning, team reflection, and community dialogue.

Our Six Guiding Intentions for AI

Intention 1: Choose intentionally where we may use AI internally

We will test thoroughly before considering adoption of AI tools for specific internal tasks that are repetitive, administrative, or creative in nature. Examples of these include:

- Cleaning and summarizing internal meeting notes
- Drafting or refining internal communications such as emails or staff updates
- Social media content ideation and outlining grantee spotlight stories
- Summarizing long documents or evaluations for internal use
- Organizing internal knowledge bases and task tracking
- Automating calendar-based reminders and project updates

All such use cases will exclude any identifiable grantee or partner data. See the following sections below for our guidelines on how we choose not to use AI.

Intention 2: Prohibit AI uses where appropriate for community safety

To protect the dignity, trust, and integrity of our work, we do **not** allow AI tools to be used in the following ways:

- Entering or sharing grantee-specific information (names, applications, notes)
- Automating any decisions related to grantmaking or funding evaluations
- Generating public-facing content without appropriate human review
- Replacing human storytelling, community context, or narrative power
- Inputting any non-consensual staff or community data into external tools
- If staff are unsure whether a use case is allowed, they should check with our designated AI policy lead (Knowledge Manager).

Intention 3: Collectively maintain a vetted AI list of tools

We will maintain a vetted list of AI tools for internal use, prioritizing those that:

- Clearly outline their data privacy practices (e.g., whether they train on user data)
- Are trusted by equity-centered institutions or communities

- Offer closed environments or enterprise settings when needed
- Are accessible and easy for all staff to explore

Only these pre-vetted tools may be used for Headwaters Foundation official work. Any new tool must be tested and discussed within the team.

Intention 4: Share AI learnings externally

Our role as a funder includes lowering barriers for nonprofit partners. As such, we will continue to explore ideas like:

- Sharing insights via a “Learning Out Loud” blog series (including our AI values and lessons)
- Hosting low-lift community sessions or office hours on AI exploration
- Piloting mini-grants or stipends to help nonprofits test a tool with shared reflections

We will only do this after building a Foundation-wide position on where we stand on AI and its use.

Intention 5: Commit to continuous training and capacity building

We will create internal spaces of learning where we can:

- Offer periodic staff training or experimentation sessions to build comfort and skills
- Encourage open dialogues to surface tensions, hesitations, and hopes
- Create space for peer sharing of AI use cases across different roles
- Emphasize that AI is optional—not mandatory—for staff

We recognize that some roles (e.g., communications) may benefit differently from AI than others (e.g., program staff), and we will approach use with flexibility.

Intention 6: Build internal and external accountability to AI use

- This framework will be reviewed and updated annually or as major changes in technology arise
- Use Headwaters’ values to share concerns about appropriate AI usage across the team
- We will document our organizational AI use and periodically assess whether it’s aligned with our stated values

Reflections in Action: What We Learned Together

Why this section?

This section captures the honest reflections, questions, and learnings voiced by our team during our first AI workshop (June 2025). It shows how we are building our AI approach from the ground up—with curiosity, care, and collective wisdom

How we plan to use this section?

We plan to use this section as both a mirror and a compass. It will guide us as we test, iterate, and decide how (and if) AI fits our work. We intend to revisit these reflections before launching new tools, creating policies, or running trainings.

When we asked: How might we ensure equity is centered—not just efficiency—when we test or recommend AI tools?

Equity can be centered by critically examining who benefits and who might be harmed or left out in the use of any AI tool. This means assessing not just what the tool does efficiently, but whose voices, data, or identities it might misrepresent, exclude, or oversimplify. Equity-first AI use involves asking questions like: Who created this tool? What data was it trained on? Can our most marginalized grantees and communities engage with or critique it?

To deepen equity, we can co-learn with partners, invite diverse staff perspectives into tool testing, and set up safeguards like bias checks or inclusive language reviews. Efficiency should never come at the cost of trust or dignity—our AI recommendations must reflect that commitment.

When we asked: What does a “responsible” use of AI look like in our grantmaking or storytelling workflows?

Responsible AI use in grantmaking and storytelling means using AI to assist—not replace—human insight, context, and relationships. For example, AI can help summarize raw data or clean notes, but final narratives, funding decisions, or story framing should be deeply rooted in human review, cultural humility, and relational accountability.

It also includes drawing clear lines: we never input confidential grantee data into public tools, we disclose when AI is used to support writing or summaries, and we

uphold the grantee's voice and lived experience as central. In short, AI is a rough-draft tool, not a final-word voice.

When we asked: How can we design AI adoption in ways that uplift both staff experience and grantee relationships?

Start by mapping where AI can reduce internal friction—repetitive emails, meeting notes, task tracking—so staff can reinvest energy in more relational, creative, or strategic work. At the same time, be clear with grantees about what AI is and isn't used for, and ensure their stories and data are protected with care and consent. Adoption should be phased, with space for reflection, mistakes, and learning. By being transparent, inviting staff and grantee input, and only sharing tools that we've meaningfully vetted ourselves, we signal that AI isn't just about output—it's about honoring people and building better systems.

When we asked: What would a culture of internal transparency and reflection around AI look like for us?

It would look like team meetings where staff can openly share what they're trying, what feels hard, and what makes them curious about AI—without fear of “doing it wrong.” It would include clear, shared documentation of what tools are being used, how, and for what purpose, along with space to raise ethical concerns.

This culture also invites periodic pause points—intentional moments to reflect as a team on what's working, what feels misaligned, and what impact AI is having on our values. Reflection wouldn't be a side task; it would be core to how we grow together in using technology with care.

Key Learning Themes from the Internal Reflections from Workshop #1

1. **Curiosity with Caution** – Staff are open to experimenting but seek structure, support, and values alignment.
2. **High Concern for Ethics and Equity** – Questions emerged around environmental impact, who's included/excluded, and potential bias amplification.
3. **Need for Clear Policies and Boundaries** – Clarity on what tools to use, what inputs are safe, and how to communicate with grantees is essential.
4. **Desire for Low-Lift, High-Impact Use** – Use cases like notetaking, repetitive emails, and timeline tracking generated strong interest.

5. **Trust and Transparency** – Staff emphasized trust in AI platforms and internal discussions on how/why AI is used.
6. **Role-based Variations** – Staff roles shape how AI fits into their work. Communication roles saw more direct benefits than programmatic roles, highlighting the need for tailored approaches.
7. **Value of Cross-team Dialogue** – Multiple reflections highlighted the need for shared learning spaces, open conversations, and collaborative experimentation.