



K2's AI And Automation Strategies For Nonprofit Organizations

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Learning Objectives



Distinguish the difference between AI and automation

Use generative AI tools such as ChatGPT and Copilot to streamline routine and non-routine tasks

Identify the risks associated with using AI in nonprofit environments

Apply automation tools to improve organizational efficiency and internal controls

Determine which automation tools and strategies might be best for your organization

Major Topics



What can AI and automation tools do, and where do they struggle

The leading players in these markets

How to use create and enforce relevant governance policies to reduce the risk associated with AI

Using tools you already have to automate business processes

Defining AI And Automation



- Loosely speaking, ***AI is a technology whereby computers learn how to act like humans***
- There are multiple types of AI, such as **machine learning** and **generative AI**
- Generative AI is a form of AI in which humans can “prompt”(ask questions) computers and get answers to these questions in a very short period of time
- Business professionals can use generative AI for such actions as analyzing data, writing memos, and creating spreadsheets

Defining AI And Automation



- On the other hand, ***automation refers to the practice of automating routine tasks based on specific rules that have been defined in advance***
- For example, consider approval processes of A/P invoices where any vendor invoice over \$10,000 must receive an initial level of approval from an administrative team member, but then must also receive an approval from a higher level of management due to the amount of the transaction...this is a transaction that is begging for automation to route the transaction to the appropriate team members based on pre-defined rules

AI And Automation In NFPs



- AI has a growing role in NFPs
- For example, you can use AI to analyze financial statements and draft “thank you” notes to donors
- You can also use AI to assist in creating marketing collateral for a fundraising project
- You can also use AI to predict how much money will be raised during a fundraising campaign and what adjustments should be made to the campaign to maximize its success

But, Don't Forget About Automation



- You can use automation tools to put certain types of transactions on “autopilot” ...such as the approval process described previously
- Some other examples include
 - Recording/posting donor contributions automatically
 - Generating and email tax receipts to donors
 - Creating and transmitting year-end donor statements
 - Processing vendor invoices
 - Automate PTO requests from staff
 - Automated registration, seating assignments, etc. for event management



BECOMING MORE EFFICIENT AND EFFECTIVE WITH AI AND AUTOMATION

Some Alarming Statistics



- Consider the unique circumstances for nonprofits
 - NFPs face data governance challenges due to their reliance on donor trust, service to vulnerable populations, and, oftentimes, limited technical resources
- According to Microsoft, 82% of nonprofits now use AI
- However, only 10% having formal policies to govern AI's use
- Accordingly, the gap between adoption and responsible governance demands attention now

AI Bias, Transparency & Accountability



- **Algorithmic Bias Risks**
 - AI trained on historical data can reinforce inequities
- **Awareness-to-Action Gap**
 - While 64% of NFPs are now familiar with AI bias, only 36% actively implement equity practices
- **Transparency Expectations**
 - Stakeholders deserve plain-language disclosures about when and how AI is used, including what data is collected and how AI influences decision-making processes

AI Bias, Transparency & Accountability



- **Human Oversight Requirement:**

- AI tools need clear human accountability — when AI shapes who receives help and who is excluded, these are leadership decisions with ethical consequences

- **The “Efficiency Trap”:**

- Adopting AI solely for cost savings or speed can erode trust and human connection — mission impact must come before operational efficiency

AI Data Challenges For NFPs



- **Sensitive Donor and Beneficiary Data**

- NFPs collect highly personal information from vulnerable populations, making data breaches especially harmful to trust and mission

- **Informed Consent Gaps**

- 92% of donors want clear disclosure on where and why AI is used — yet most NFPs lack formal consent processes for AI-driven data use

- **Evolving Regulatory Landscape**

- Laws like the EU AI Act and state-level privacy legislation are creating new compliance obligations that many NFPs are unprepared to meet

- **Third-Party AI Tools**

- Staff often feed sensitive data into commercial AI tools without understanding data retention, storage, or sharing policies of those platforms

- **Resource Constraints**

- Limited budgets and small technical teams make sophisticated data protection and privacy compliance feel out of reach



AI GOVERNANCE ISSUES

Creating An AI Data Governance Framework For NFPs



- **Adopt A Formal AI Policy**

- Only 14% of organizations have one — use frameworks like NIST AI RMF or NTEN’s modular AI Governance Framework as starting points

- **Conduct Regular Bias Audits**

- Test AI systems across demographics and scenarios, and pause deployment if disparities appear in outcomes for the communities you serve

- **Invest In AI Literacy**

- 53% of NFP workers are unsure how to use AI — upskill staff and recruit board members with technology or data governance experience

Creating An AI Data Governance Framework For NFPs



- **Establish Clear Data Handling Protocols**
 - Define what data can be shared with AI tools, require vendor due diligence, and create consent processes aligned with privacy regulations
- **Make AI Governance a Board-Level Priority**
 - AI governance is now a core fiduciary responsibility — boards should expand oversight duties to include technology ethics, mission alignment, and systemic equity

So, Which AI Tool(s) Should You Use?



- There are many very good choices and some have a decidedly different “taste”
- For example, **ChatGPT** is a great all-around AI platform and remains the leader in AI market share today with approximately 60% to 65% market share
- Likewise, **Gemini** is also a terrific tool with outstanding integration into Google Workspace
 - Gemini recently announced deep integration into Microsoft 365

So, Which AI Tool(s) Should You Use?



- Microsoft's **Copilot** has approximately 15% of the generative AI market and offers features such as:
 - Privacy and security features enabled by default
 - Deep integration with Microsoft 365 apps and data
 - Thus, you can easily ask Copilot to create a PowerPoint slide deck for you from a Word document stored in your OneDrive account
- Collectively, these features have translated into many business professionals choosing to use Copilot as their AI platform



NOW, ONTO AUTOMATION

A Fundamental Automation Rule



“If you’re entering the same piece of data more than once, you’re doing it wrong.”

A good example is using **Zapier** or similar tools to automate the process of moving data from one system – such as sales orders or invoices – to an accounting platform for which automated data entry is not available otherwise

Benefits Of Automating Data Transfers



- In the absence of automation tools, someone would need to copy-and-paste or, even worse, re-key the data so that the accounting platform receives the updated list of transactions
- Do we really want to pay someone to manually perform these rote, repetitive tasks? Is the error rate resulting from manual efforts like those described going to be too high to accept the process as described?



POWER AUTOMATE



Power Automate, At A Glance



- **Power Automate** is a tool you can use to **automate repetitive tasks and business processes** across Microsoft 365 and other applications
- It allows users to **create workflows (“flows”) that trigger actions based on events, schedules, or user input**
- Common examples include **routing approvals, sending notifications, moving or updating files, and integrating data between systems**
- From an internal control perspective, Power Automate helps **standardize processes, reduce manual intervention, and improve consistency, traceability, and internal control**

Types Of Power Automate Flows



- **Automated cloud flows**, triggered by an event
- **Instant cloud flows**, triggered as needed
- **Scheduled cloud flows**, which run at predesignated times
- **Desktop flows**, which run on your desktop environment
- **Process mining** to optimize existing processes and tasks
- You can also describe what you're looking for to have **AI build the flow for you** (or at least give you a "head start")

Countless
Templates
Exist To Get
You Started



 Follow up on a message By Microsoft Power Automate Community Instant 1093054	 Schedule a reply to send at the perfect time By Microsoft Power Automate Community Instant 633888	 Forward your emails to a channel By Microsoft Power Automate Community Automated 293849	 Automate weekly reminders and updates in a chat By Microsoft Power Automate Community Scheduled 227078
 Create a Planner task when a channel post starts with TODO By Microsoft Automated 216692	 Analyze emails sentiment with AI Builder and send results to Teams By Microsoft Automated 116842	 Forward your emails to a chat By Microsoft Power Automate Community Automated 91818	 Automatically schedule a meeting with a message sender By Microsoft Power Automate Community Instant 90509
 Automate weekly reminders and updates in a channel By Microsoft Power Automate Community Scheduled 88579	 Summarize emails using GPT By Microsoft Automated 59431	 Get notified privately when someone fills out a form By Microsoft Power Automate Community Automated 21271	 Notify a chat when Planner tasks change status By Microsoft Automated 18369

Eight Power Automate Advantages



Strengthens internal controls via standardized processes

Reduces manual effort and errors

Workflows trigger automatically based on events or schedules

Enhances visibility and accountability

Actions, approvals, and outcomes are logged and traceable

Scales easily without increasing headcount

Automations handle higher transaction volumes with minimal incremental effort

Integrates seamlessly with Microsoft 365 and beyond

Accounting & Finance Use Cases



Approval workflows

Automate AP invoice approvals, journal entry sign-offs, budget approvals, and purchasing authorizations

Reconciliations & close tasks

Trigger reminders, task assignments, and status updates for month-end and year-end close activities

Notifications & alerts

Send automated alerts for missing documentation, unusual transactions, threshold breaches, or deadlines

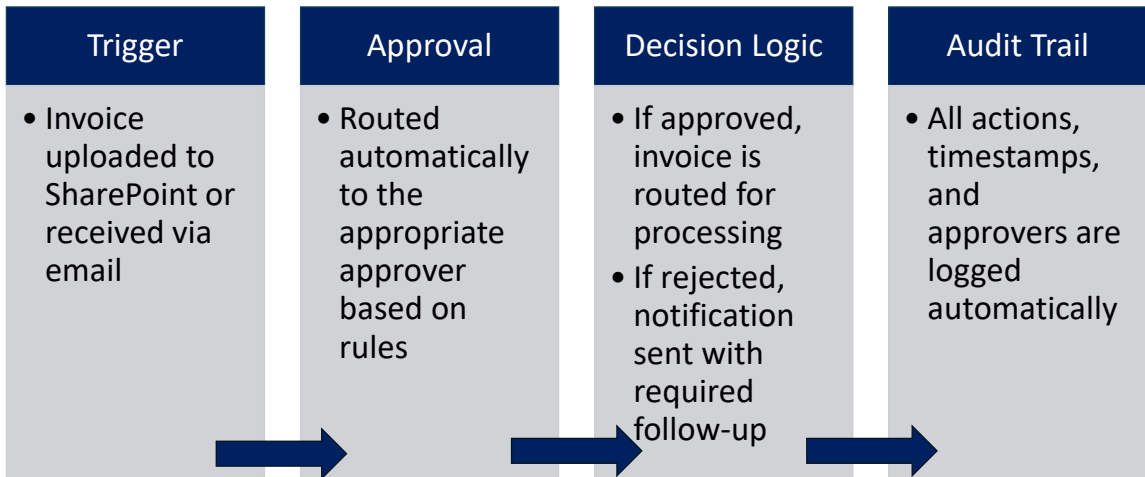
Document management

Move, rename, and archive invoices, receipts, contracts, and support automatically in SharePoint or OneDrive

Data movement & integration

Sync data between Excel, SharePoint lists, ERP extracts, and reporting tools without manual intervention

Sample A/P Invoice Approval Flow



Summary



- AI and automation tools offer unprecedented opportunities to improve efficiency, effectiveness, accuracy, and internal controls for those who are prepared to embrace these tools
- And this is true across the board, including in NFP environments
- If you've not yet explored how you can use these tools in those environments, now is the time to improve your productivity by embracing AI and automation

Thanks For Joining Me Today!



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