



AI for the charity FD

The charity finance person's
sensible guide to artificial
intelligence. Adapted for
the nonprofit sector



Table of Contents

Introduction	3
Chapter 1 – Where Are Charities on the AI Curve?	4
Chapter 2 – What AI Can Do For Your Charity	6
Chapter 3 – How To Talk To AI	9
Chapter 4 – The Risks You Need to Know About	11
Chapter 5 – Learning and Experimenting Safely	13
Chapter 6 – What Humans Still Do Best	15
About iplicit	17

Introduction

If you work in charity finance, AI has probably entered your world in some way already.

Maybe a colleague is using ChatGPT to draft emails. Perhaps your accounting software has started adding AI features. Or you've just been hearing a lot of noise about it and wondering what it all means for your organisation.

If you're still feeling a bit anxious or uncertain, that's completely understandable. There's an exhausting amount of hype out there

about what AI will do to the economy, the environment and humanity itself.

But wherever this technology is heading: nobody is going to uninvent it. And for charity finance teams, who are almost always stretched thin, juggling too many tasks with too few resources, AI has real potential to help.

What is this guide about

This is a condensed, charity-focused version of iplicit's AI for the FD guide. We've stripped out the business-focused content and focused on what's most relevant to you as a finance professional in the nonprofit sector.

We've kept the practical advice from finance professionals and tech experts who contributed to the original guide, and layered in charity-specific data, governance considerations, and links to free resources from Charity Excellence.

When we asked finance professionals how to start with AI, we kept getting the same answer: begin with the mundane, repetitive tasks that eat up your time. If AI can help with those, you'll be free to focus on the things where your human wisdom is most valuable – strategic thinking, stakeholder relationships, and making sure every pound goes further for your beneficiaries.

Free AI learning for charities

Charity Excellence Learning provides free, certificated online AI courses including AI for Boards and Management, and Making AI Work for Your Organisation. No prior AI knowledge needed.

Visit:

learning.charityexcellence.co.uk



Chapter

01

Where are charities on the AI curve?

There's a growing gap between organisations racing ahead with AI and those that have barely started. In charities, this gap tends to be even wider than in the private sector.

What the data tells us

Charity Excellence's AI Adoption Report paints a clear picture of where the sector stands. The numbers show that while many charities recognise AI's importance, most haven't yet put the foundations in place:

28%

of charities have assessed AI's strategic impact and reflected it in their plans

29%

have appointed a lead trustee or committee to oversee AI

33%

have given their people the training they need to handle AI risks

35%

have assessed AI risks and updated their policies accordingly

Meanwhile, iplicit's broader research of 250 finance decision makers found that 93% believe AI will become a core skill for finance professionals within five years, yet 38% describe themselves as hesitant or cautious about adopting it. Only 53% have a formal AI policy in place.

Your team is probably already using it

ChatGPT brought AI to the consumer in 2022, before most charities had a policy for it. Your staff and volunteers may already be experimenting - for drafting emails, summarising documents, or researching funders. The question isn't whether AI is in your organisation, but whether you're supporting people to use it well.

Getting some golden rules in place is important. We'll cover governance and risks later, but first: what can AI actually do for your charity finance team?

“ **You need to be cognisant of the fact that even if you're not aware of your team using AI, they probably are.** ”

Olivia McMillan,
COO, iplicit

Charity Excellence AI Ethics & Governance Framework

Only 32% of charities have adopted an AI governance framework. Charity Excellence provides a free, comprehensive AI Ethics and Governance Framework designed specifically for nonprofits. It covers ethics, oversight, compliance, risk management, and community focus areas.

Download it at:
charityexcellence.co.uk



What AI can do for your charity

Start with the problem, not the technology

Don't ask "What can AI do?" Ask: "What's taking up too much of my time?" or "What repetitive task keeps me from more strategic work?" That's where AI can make the biggest difference.

For charity finance teams specifically, [here are the areas where AI can save you real time right now:](#)

Preparing for meetings and taking notes

AI tools like Microsoft Copilot can scan your calendar, pull together relevant emails and documents, and brief you before a meeting. After the meeting, AI can generate minutes and action points that you simply review and share. For time-pressed charity FDs juggling board meetings, trustee updates, and funder calls, this alone can save hours every month.

Spreadsheets and data entry

If you've got data in another format, say a PDF or a photo of a paper form, you can feed it into an AI tool and ask it to put it into a CSV for Excel. AI can also help you build formulas, filter data, or troubleshoot spreadsheet problems. Just speak to it as you would to an Excel expert.

A word of caution: always anonymise data before putting it into a public AI tool. Remove names, addresses, and anything that could identify individuals. More on data safety in Chapter 4.

“Start by figuring out the things that you want to fix in your role or in your business. I'd take that one thing and try and find the AI answer for it.”

Becky Glover,
FD

Finding patterns and comparing datasets

Upload anonymised financial data and ask AI to spot outliers, compare datasets, or flag discrepancies. This is especially useful for charity finance teams reviewing restricted fund allocations, grant spend patterns, or donor giving trends.

“ If you have a large volume of data, AI is a powerful tool for identifying patterns, trends and anomalies. ”

Alastair Barlow,
Founder, Numbrs

Forecasting and KPIs

AI can suggest forecasting methods and even recommend KPIs relevant to your sector. One FD described asking ChatGPT to create a forecast for her business, and within five minutes it had produced one she could pull into Excel - complete with industry-appropriate metrics.

For charities, you might ask AI to help you think about cash flow forecasting, income diversification metrics, or cost-per-beneficiary KPIs. It's not a replacement for proper financial modelling, but it's a useful starting point and sanity check.

Board reports and trustee packs

You can create a standard prompt with the key paragraphs you want to cover, and AI fills in the data and adjusts the tone depending on results. Alternatively, write your draft first and use AI to polish it. Either way, you're communicating complex financial information more clearly to trustees who may only look at the numbers once a quarter.

“ I save around 90 minutes each month on board reporting by using AI to write the commentary. ”

Rob Steele,
CFO, iplicit



Reviewing complex documents

Been sent a 60-page lease agreement, funder contract, or regulatory update? AI can summarise the key points, highlight areas of risk, and tell you which sections need your close attention. This is invaluable for charity FDs who often wear multiple hats and can't afford to miss something important in the fine print.

Checking for fraud and errors

AI can review transactional data and flag anything unusual. It can check company names against verified details, spot patterns that might indicate fraud, and even detect AI-generated fake receipts in expense claims. For charities handling public money and grant funding, this kind of oversight is increasingly important.

Credit control

At the end of a busy day, AI can quickly analyse your aged debtors, calculate average debtor days, and highlight invoices that need chasing – work that would take much longer in a spreadsheet.



Remember: always check AI's work

AI is like having a capable but inexperienced assistant. It can produce a first draft, spot patterns, and save you time – but you need to review everything before it goes out. As iplicit's Rob Steele puts it: "AI doesn't go to jail – you do."

If your first experience with AI was disappointing, you're not alone. A vague question gets a vague answer. But getting better at "prompting" - telling AI what you need - isn't some secret skill. It just takes a few tips and a bit of practice.

Think of it like a search engine, but be specific

If you type "forecasting" into Google, you'll get weather forecasts before budget forecasts. It's the same with AI, you need to be specific. Tell it who you are, what sector you're in, who the audience is, and what format you want.

Four things that make prompts better

1 Add context

Tell AI about your situation. For example: "I'm the Finance Director of a mid-sized UK charity. I need to prepare a financial summary for our quarterly trustee meeting. The trustees are non-finance people who want clear, simple language."

2 Give it a persona

Tell AI to act as something specific: "You're an experienced charity finance consultant" or "You're a Charity Commission compliance expert." This helps it frame its response appropriately.

3 Specify the format

Do you want a table, a three-paragraph summary, a set of bullet points, or a full report? Tell it. You can also give it an example of what the output should look like.

4 Let it say "I don't know"

AI is designed to always give you an answer, which is partly why it sometimes makes things up. You can give it permission to challenge you, ask follow-up questions, and say when it doesn't have enough information. This reduces hallucinations significantly.

Break down complex tasks

Rather than asking AI to do something huge in one go, break it into steps. Tell it to tackle each step and report back before moving on. A sequence of smaller tasks always produces better results than one big, complicated request.

Iterate and improve

Keep a simple log of prompts that worked well - a "prompt library" in a Word doc or spreadsheet. This saves you searching through old AI chats and helps your whole team learn what works.

AI Bad Habits to Avoid:

- Don't outsource your thinking, AI is a helper, not a decision maker.
 - Don't assume it knows everything.
 - Don't give vague prompts.
 - Don't skip adding your own voice and experience.
 - Don't enter confidential information.
 - Don't forget to check for bias.
-

“ If the result isn't quite what you want, that's completely normal. You then just have to say 'This is what I like and this is what I don't like. Please try again'. ”

Becky Glover,
FD



AI can massively improve your productivity, but it comes with risks that charity finance teams need to take seriously. Here are the three big areas to watch.

Risk 1 – Data security

What data are you putting into AI, and can you guarantee it won't end up somewhere it shouldn't? This matters even more for charities, where you're handling beneficiary data, donor information, and public funds.

Key rules: Never put personal data (names, addresses, dates of birth) into a free AI tool. Use paid plans with proper data protections. Anonymise financial data before uploading it. Check your AI tool's privacy policy. And remember: if you wouldn't share it with a stranger in the pub, don't give it to an AI model without safeguards.

Only 49% of charities surveyed have procedures ensuring nobody enters sensitive data into AI systems that share or use data for training.

Risk 2 – Hallucinations

AI sometimes confidently states things that are completely wrong. It might cite sources that don't exist, get maths wrong, or fabricate details when summarising documents. This is especially risky for charity finance, where trust in the numbers is everything.

Always sense-check AI's output. Be suspicious of surprising precision – a figure calculated to many decimal places might be completely fabricated. Ask AI to show its working and constrain it to only use the facts you've provided.

Risk 3 – Scams and fraud

Criminals have also got better at their jobs thanks to AI. Scam emails are more convincing, deepfake voices can impersonate your CEO, and fake receipts are harder to spot. For charities, which are often specifically targeted by fraudsters, this means stronger vigilance is essential.

Consider using code words for financial transactions, invest in good security software, and make sure your team knows that seeing and hearing isn't believing anymore.

Only 33% of charities have policies in place to safeguard against AI harms like deepfakes and misinformation.

Getting governance right

The answer isn't to ban AI. You'd miss out on real benefits and your staff are probably using it anyway. Instead, find a sensible middle ground with clear golden rules.

“ You have to very quickly develop golden rules that people can cling to as they experiment. ”

Olivia McMillan,
iplicit

The Charity Excellence AI Ethics and Governance Framework provides a ready-made structure for nonprofits.

It covers five core principles drawn from the UK Government's framework for regulators:

- Safety, security and robustness
- Transparency and explainability
- Fairness — avoiding bias and discrimination
- Accountability and governance
- Contestability and redress



Free governance resources

Download the full AI Ethics and Governance Framework from Charity Excellence, which also offers free courses on AI risk management and keeping meetings safe from AI bot attacks.

Visit:
learning.charityexcellence.co.uk

Chapter

05

Learning and experimenting safely

The world of AI moves so fast that keeping up can feel impossible. But you don't need to know everything – and anyway, that would be impossible. A small, regular investment of time in learning and experimenting will compound rapidly.

If your charity isn't ready, start personally

Use AI at home first. Ask it to help plan meals, explain your children's homework, or organise a family holiday. The point is to get comfortable with the technology in low-stakes situations before applying it at work.

“If your organisation isn't ready for the tech, then I would say you should be doing things on a personal level outside work.”

Becky Glover,
FD

Learn through play

The best way to start is to be curious. As Becky Glover puts it: “When children are little, they're always taught through play. I always wonder: when did that stop?” The technology is hard to break, so as long as you're careful with confidential data, just have a go.



Ask AI to teach you about AI

Tell AI about your role, your charity's work, and your current level of AI knowledge. Then ask it to create a 90-day learning plan based on how much time you can spare each week. It's surprisingly good at this.

Try different tools

ChatGPT, Claude, Gemini and Copilot each have different strengths. It's worth experimenting to see which suits your needs. As Daniel Lawrence of Bots For That says: "There's no one model that's best at everything."

Start a working group

Once you've built some personal confidence, bring others in. Encourage 5-10 colleagues to experiment together, share what works, and develop best practices. Make it a regular thing. Even a monthly lunchtime session can build momentum.

Make time for it

If you can't spare half a Friday, start with one hour a fortnight. The payoff will come.

“Some of the best products we've had came from people saying 'I wonder if this would work' and being given time for a 'side of the desk' project.”

Ali Kokaz,
One Peak



Chapter

06

What humans still do best

AI will change your job but it's not about to replace you. Here's why:

Strategic thinking

AI can process data and spot trends, but it can't understand why a funder's priorities are shifting, or how a change in government policy will affect your beneficiaries, or whether now is the right time to invest in a new programme. That's where your experience, judgement and sector knowledge are irreplaceable.

“ It's about giving people back more time so they can add real value with their expertise, knowledge and vision. ”

Paul Sparkes,
iplicit

Human judgement

AI might flag that spending on a programme is above forecast, but only you know that's because you brought forward activity to meet a funder deadline. AI can highlight areas that need attention, but it takes a human to understand the context and decide what to do about it.

Accountability

As a charity FD, you're accountable to trustees, regulators, funders, and the public. AI can help you prepare accounts, but it can't sign them off. It can draft a report, but it can't take responsibility for what's in it. That accountability and the trust that comes with it rests with you.

Relationships and “soft” skills

If AI frees you from hours of data entry and report drafting, what will you do with that time? The answer should be: spend it on the things that matter most. Building relationships with funders. Supporting your team. Having proper conversations with trustees. These are the high-value activities that always get squeezed out when everyone's too busy with admin.

Creativity

Problem-solving, interpreting data in context, communicating complex ideas simply - these are all creative skills. AI can give you a first draft, but the insight, nuance and sector knowledge that make it genuinely useful come from you.

Afterword: Just try one thing

If you take one thing from this guide, let it be this: pick one pain point in your working week and spend some time investigating whether AI can help.

Maybe it's drafting board report commentary.

Maybe it's making sense of a complex contract.

Maybe it's building a spreadsheet formula you've been putting off.

Start small. Be curious. Don't worry about getting it perfect. And remember that nobody has this fully figured out yet, not even the experts.



Free resources for charities

Charity Excellence Learning -
Free AI courses for nonprofits ▶

60+ free charity policies
(updated for AI) ▶

Implicit's AI for the FD guide ▶

About iplicit

iplicit is true cloud finance software that makes the complex simple and accessible.

Launched in January 2019, iplicit now has more than 50,000 daily users in 103 countries, with a particularly strong presence in the charity and nonprofit world. The software integrates with other cloud applications and provides users with real-time reporting, automated data migration, rapid implementation and a public API to break down data silos.

iplicit was rated 18th among UK businesses on the FT1000 list of Europe's fastest-growing companies and achieved 40th place in the Deloitte UK Technology Fast 50.

Got Three Minutes?

Take a tour of iplicit:

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Talk to our experts to see how we can help

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