

BLUE WATER DEVELOPMENTAL HOUSING, INC.
POLICIES AND PROCEDURES: (insert EMPLOYEE or CLIENT) INFORMATION

SUBMITTED BY: Andrea Bubel	DATE SUBMITTED: 6/5/2026	SECTION: Information Management	
BOARD APPROVED ON: 6/18/2026	DATE REVISED: xx/xx/xx	SUBJECT: Artificial Intelligence (AI)	
ANNUAL REVIEW BY EXECUTIVE DIRECTOR: xx/xx/xx		POLICY #: EE-006	PAGE #: 1 of 4

I. APPLICATION

This policy applies to all employees, contractors, volunteers, and authorized users of BWDH who utilize Artificial Intelligence (AI) tools or systems in the course of performing work-related duties. It includes the use of generative AI (e.g., ChatGPT), predictive analytics, robotic process automation, and any third-party systems employing AI capabilities.

II. PURPOSE

The purpose of this policy is to establish guidelines for the responsible, ethical, and compliant use of Artificial Intelligence (AI) tools and systems by Blue Water Developmental Housing, Inc. (BWDH). This includes the use of AI to support administrative functions, communication, data analysis, and service delivery, while protecting the rights, privacy and dignity of individuals supported, employees and stakeholders.

III. DEFINITIONS

Artificial Intelligence (AI): Technology that enables systems to perform tasks normally requiring human intelligence, such as learning, reasoning problem-solving, understanding language, and recognizing patterns.

Family Educational Rights and Privacy Act: A federal law that protects the privacy of student education records.

Generative AI: AI that creates content such as text, images, or code based on user inputs.

Health Insurance Portability and Accountability Act (HIPAA): a federal law that sets national standards for the protection of individuals' medical records and other personal health information.

Personally Identifiable Information (PII): Information that can be used to identify an individual, such as name, address, health data, or social security number.

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IV. POLICY

AI may be used to support the following activities:

- Enhancing operational efficiency (e.g., scheduling, document generation)
- Improving data-driven decision-making
- Supporting communications (e.g., drafting policies, emails, or social media content)
- Assisting in training and professional development
- Automating repetitive administrative tasks

Permitted Tools:

- Microsoft Copilot

For security purposes employees are authorized to use Microsoft CoPilot when using an AI Tool. CoPilot provides additional security preventing third party access to Community First Health Center data.

ALL OTHER PUBLIC AI TOOLS ARE STRICTLY PROHIBITED.

These include, but are not limited to:

- ChatGPT
- Grok
- Anthropic
- Claude
- Gemini

BWDH strictly prohibits:

- Inputting confidential, sensitive, or personally identifiable information (PII) into public AI platforms
- Using AI to make automated decisions that directly impact service recipients without human oversight
- Relying solely on AI for compliance documentation, legal advice, or medical recommendations
- Generating content that is discriminatory, misleading, or violates BWDH's values and Code of Ethics

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- Using AI to monitor or surveil employees or individuals supported without prior approval and legal justification.

All users must comply with the Health Insurance Portability and Accountability Act (HIPAA) and the Family Educational Rights and Privacy Act (FERPA), as well as other applicable privacy regulations..

AI tools must not be used to process or transmit any confidential health records, recipient rights complaints, internal investigations, or employee performance data unless the tool is vetted and approved by the IT Vendor and BWDH Corporate Compliance Officer.

AI outputs are not final products. All AI-generated content must be reviewed, edited, and approved by a human before use.

Decisions that affect employment, health, safety, or service delivery must not be made solely by AI systems.

BWDH will provide training to employees on appropriate AI use and emerging risks. Users must stay informed of updates to this policy and attend required training as scheduled.

The Administrative Services Division Director and IT Vendor will jointly oversee AI governance, tool approvals, and policy compliance.

AI tools must be reviewed and approved before procurement or integration into systems.

This policy will be reviewed annually and revised as necessary to reflect technological, legal, and ethical developments.

Violations of this policy may result in disciplinary action, up to and including termination, in accordance with BWDH's Employee Handbook. Suspected misuse should be reported to the Corporate Compliance Officer immediately.

Suspected misuse of AI tools, unauthorized disclosure of information, or other violations of this policy shall be reported immediately to the Corporate Compliance Officer and handled through the complaint and investigation process outlined in Policy EA-002 Corporate Compliance.

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V. References

- Health Insurance Portability and Accountability Act (HIPAA)
- Code of Ethics – Blue Water Developmental Housing, Inc.
- Michigan Data Breach Notification Law
- NIST AI Risk Management Framework (2023)
- Society for Human Resource Management. (n.d.). *ChatGPT and generative AI usage policy guidelines*. Society for Human Resource Management.
<https://www.shrm.org/topics-tools/tools/policies/chatgpt-generative-ai-usage>
- U.S. Department of Education. (2021). *Family Educational Rights and Privacy Act (FERPA)*. <https://www2.ed.gov/policy/gen/guid/fpco/ferpa/index.html>