PROCEDURES

Generative artificial intelligence (AI) systems are quickly becoming available, and we recognize the interest in using such systems to conduct Town business.

Since the field is emergent and rapidly evolving, the potential policy impacts and risks to the Town are not fully understood. Use of generative AI systems, therefore, can have unanticipated and unmitigated impacts.

These procedures are intended to minimize issues arising from the use of this technology as we seek to implement them responsibly.

Background and Definitions

Generative AI refers to a class of AI systems that can generate content, such as text, images, video, or audio, based on a set of input data rather than simply analyzing or acting on existing data. Popular generative AI systems include CoPilot, ChatGPT, Gemini, Dall-E, and Lensa AI among many others.

Generative AI technology is rapidly being incorporated into common online tools, such as search engines. These systems have the potential to support many Town business functions and services, however, their use also raises important questions, particularly around the sourcing of training data, ensuring proper attribution of generated content, and the handling of sensitive or public data.

Further research into this technology may uncover issues that require more restrictions on its use. Further guidance is documented in the Guidelines for Using Generative AI.

Software Acquisition & Subscriptions

1. **Software**. All software services, even if they are free or part of a pilot or proof-of-concept project, must be acquired by following the Technology Governance Policy procedure. This ensures the software receives all necessary reviews and considerations.

   This requirement applies to downloadable software, Software as a Service, web-based services, browser plug-ins, and smartphone apps.

2. **Subscriptions**: Signing up or subscribing to any AI program is not allowed. If you want to create a new account using a generative AI service or otherwise use a new generative AI systems to perform work-related tasks, submit a New Tech Proposal to the Technology Solutions Department.

PROCEDURES CONT.	3. **Existing services and products:** You do not need permission to use generative AI technology that is incorporated into existing services and products that have already been approved by the Technology Steering Committee. However, these tools are subject to all other provisions of this policy and further guidance may be issued.

AI Use Procedures

1. **Intellectual Property.** Content produced by generative AI systems may include copyrighted material. AI systems may be "trained" using data (text, images, etc.) that has been sourced from the internet without regard for copyright or licensing terms. It is extremely difficult to determine what content was used to train an AI system, and difficult to verify whether AI-generated content is wholly original or only a slight stylization of existing copyrighted material. Town employees are required to perform due diligence to ensure that no copyrighted material is published by the Town without proper attribution or without obtaining proper rights.

2. **Reduce Bias and Harm.** AI systems can reflect the cultural, economic, and social biases of the source materials used for training, and the algorithms used to parse and process that content can be a source of bias as well. Employees should carefully review any content generated by AI to ensure that unintended or undesirable instances of bias, or even potentially offensive or harmful material, is changed or removed.

3. **Data Privacy & Protection.** Town employees must not submit any sensitive, confidential, or regulated data, or any personally identifiable data about members of the public, to a generative AI system.

4. **Public Records.** Employees should be aware of when the use of a generative AI system may result in the creation of a public record that must be retained under the State's Public Records Act. The Town's Records Manager can be a resource to provide further guidance.

5. **Language Use.** For guidance on translating Town materials using AI, please refer to the Town's [staff resources for language access](#).

6. **Authorized Use.** Employees must consult with their department director to determine the appropriate and authorized use of GenAI tools.

7. **Human-in-the-Loop.** Employees must verify and fact-check all GenAI output before incorporating it into official communication or documentation.

8. **Impersonation.** Employees may not use GenAI tools to create deepfakes, synthetic media impersonating real individuals, or simulated public input.

9. **Vendors.** Must ensure that GenAI inputs and outputs can be retrieved by the County upon request, either through platform features or contractual support.

10. **Security.** GenAI tools must not introduce known security vulnerabilities. |

FORMS AND INSTRUCTIONS	Technology Solutions Guidelines for Using Generative AI
POLICY HISTORY	Originally issued October 1, 2023 Updated August 8, 2024 Last Updated December 8, 2025
SCOPE	This policy replaces and supersedes any previous Town policies, departmental policies, handbooks, or unwritten policies or practices covering the same subject. Departmental policies in compliance with this policy are referenced in Section XI below, **Related Information**.
PROCEDURES APPROVED BY	Chris Butts, Technology Solutions Director

Technology Solutions Guidelines for Using Generative AI

Purpose

This Knowledge Base Article (KBA) provides practical, role-based guidance for the responsible use of Generative AI (GenAI) tools approved by Town of Chapel Hill employees, contractors, and authorized partners. Its goal is to promote innovation and efficiency while safeguarding sensitive data, preserving public trust, and aligning with town policies and security standards. GenAI is being implemented in the town as a tool to enhance the way we work, supporting efficiency, creativity, and informed decision-making, while not intended to replace human thought or the expertise of subject matter professionals.

Top 5 Guidelines for Exploring with Generative AI

1. Whether generated by AI or a human, you are ultimately responsible for any content you use or share.

2. Always review, edit, fact-check, validate, and/or test AI generated content, which isn't always accurate.

3. Never enter sensitive information into any GenAI.

4. Do not use GenAI for language translation. Please refer to this document for further guidance: Guidance for Using AI Translation Tools.

5. Any input to or output from generative AI, including transcriptions from recorded meetings, may be subject to public records laws.

Sensitive Information includes, but is not limited to:

- Protected Health Information (PHI) under HIPAA
- Protected Criminal Justice Information Services (CJIS)
- Personally Identifiable Information (PII), such as Social Security numbers, license plates, or driver's license numbers
- Financial data, including credit card and banking information
- Employment or personnel records
- Legal documents and other regulated data governed by laws such as FERPA, 42 CFR Part 2 and G.S. 132 (Public Records Law)

Permitted Use Cases

You may use approved Generative AI tools for the following low - and mid - risk scenarios, if no confidential, sensitive, or restricted data is entered, and you have verified with your department director your use:

- Drafting internal communications, memos, or summaries
- Brainstorming ideas or generating content outlines
- Summarizing publicly available documents
- Drafting non-sensitive training materials or standard operating concepts
- Drafting the creation of forms
- Changing the tone of an email and other communication
- Generating generic, illustrative visuals (e.g., conceptual diagrams)

Meetings

- Approved transcription features, such as built-in transcription in Microsoft Teams or Microsoft Copilot may be used for meetings you host, provided they comply with records retention policies and public records requirements.
- Third-party meeting bots or apps (e.g., Otter.ai, Fireflies, Fathom) are not permitted unless they have been formally reviewed and approved by the Technology Solutions Department.
- Participants should always be notified when recording or transcription is enabled.
- Transcripts that constitute public records must be retained according to town and state records schedule.
- For sensitive or confidential meetings, do not enable transcription or recording unless specifically authorized by your department director.

Prohibited Activities

- Enter or upload any confidential, classified, or personally identifiable information (PII/PHI)
- Share or describe operational town sensitive information (e.g., standard operating procedures, infrastructure designs, or emergency services data)
- Provide any usernames, passwords, or login credentials
- Finalize contracts, legal documents, or procurement content
- Generate or simulate voice, likeness, or identities of real people
- Use AI tools for automated decision-making in hiring, service eligibility, or budgeting '

- Request or rely on legal advice from AI tools
- Upload proprietary data sets or unreleased reports
- Piloting or purchasing any AI tools without going through the Technology Solutions IT Governance procedure.
- Please refer to this memo for any Police Department use of AI.

Department Specific Prohibited Activities

Police Department

- Any purpose as it relates to law enforcement purposes including but not limited to:
  - Drafting documents, to include police reports
  - Summarizing, or rewriting police reports
  - Drafting, summarizing or otherwise preparing witness statements or supplements
- These restrictions apply regardless of whether the AI tool is accessed via a web browser, a mobile app, or integration into any other service not purchased by the Town of Chapel Hill.

Privacy, Security, and Records Requirements

- Treat all content submitted to or generated by GenAI tools as public information — it may be subject to FOIA/North Carolina Public Records Law.
- Use only town-approved AI tools (e.g., enterprise-level deployments under TS control).
- Always access AI tools using work-specific town accounts — do not use personal accounts.
- Never accept terms of service on behalf of Town of Chapel Hill without approval from legal, BMD, and TS.