

**XAVIER UNIVERSITY
DEPARTMENT OF ATHLETICS
ATHLETE AGENT POLICY AND INFORMATION**

***NCAA REGULATIONS RELATED TO AGENTS AND OTHER AMATEURISM
PROVISIONS***

[NOTE: This summary is intended to provide assistance in working with NCAA rules and regulations set forth in the 2006-07 NCAA Manual and interpretations thereof. It is not all-inclusive and should not be used as a substitute for the Manual. Institutions that are unsure of or wish to confirm the application of the Association's rules to a specific situation should consult the Manual, and, if necessary, contact their conference offices or the NCAA legislative services staff for assistance.]

I. GENERAL PRINCIPLE.

NCAA Bylaw 12.01.2 indicates that member institutions' athletics programs are designed to be an integral part of the educational program and the student-athlete is considered an integral part of the student body, thus maintaining a clear line of demarcation between college athletics and professional sports. In this regard, an amateur student-athlete is one who engages in a particular sport for the educational, physical, mental and social benefits derived there from, and for whom participation in that sport is an avocation. The following legislation and interpretations relating to amateurism have been developed.

II. AGENTS.

A. General Rule. An individual shall be ineligible for participation in an intercollegiate sport if he or she ever has agreed (orally or in writing) to be represented by an agent for the purpose of marketing his or her athletics ability or reputation in that sport. Further, an agency contract not specifically limited in writing to a sport or particular sports shall be deemed applicable to all sports, and the individual shall be ineligible to participate in any sport.

1. Student-Athlete Signing Agreement With Attorney. A student- athlete is not permitted to sign an agreement with an attorney to represent the student-athlete in screening inquiries and analyzing offers from agents, inasmuch as it would be contrary to 12.3.1 (representation by an agent).

2. Relationship Between Student-Athlete and Lawyer who Contacted Professional Football Teams on Student-Athlete's Behalf. The staff agreed that an agency relationship existed between a student-athlete and a lawyer, contrary to the provisions of 12.3.1, in a situation in which the student-athlete received a "tryout" with one professional team as a result of the lawyer's efforts, and the student-athlete and the lawyer communicated with each other over a five-month period regarding the reaction of the professional teams.

[08/14/87 Staff, item 1-c]

3. Student-Athlete Signing Agreement with Agent and Participating in an All-Star Contest. A student-athlete who has signed with an agent subsequent to the completion of the student-athlete's eligibility in that sport (including postseason team competition) still would be permitted to participate in an individual all-star contest. [01/09/81, NCAA Council (cited in this document as "Council") and 12/09/91 Legislative Assistance Column No. 44 (cited in this document as "LAC"), Item No. 4.]

4. Student-Athletes Having Agreements with Financial Advisors. A financial advisor can be treated as an agent for purpose of the application of NCAA legislation if he or she acts as an agent. Accordingly, NCAA rules do not prohibit student-athletes from agreeing to be represented by a financial advisor, whose responsibilities are limited solely to the functions of a money manager. [04/26/95 Council, Item No. 4-k-(1)]

5. Student-Athlete Retaining Agent to Pursue Radio/Television/Theatre Appearances: A student-athlete who is seeking a degree in the performing arts (e.g., theater, drama) may retain an entertainment agent for the purposes of pursuing appearances on radio, television, and theatre, provided the student-athlete's athletics reputation or ability is not used in any manner to secure such appearances and any compensation received by the student-athlete is at a rate commensurate with the individual's skills and experience as a performer and not based in any way on the individual's athletics ability or reputation. Any compensation received by the student-athlete must be consistent with applicable NCAA limitations on a student-athlete's maximum amount of financial aid. [03/11/96 NCAA Interpretations Committee (cited in this document as "IC"), Item No. 1]

B. Coaches Involvement.

1. Marketing Student-Athletes to Professional Teams/Organizations. Staff members of the athletics department of a member institution shall not represent, directly or indirectly, any individual in the marketing of athletics ability or reputation to an agent, a professional sports team or a professional sports organization, except as specified in 11.1.4.1, and shall not receive compensation or gratuities of any kind, directly or indirectly, for such services. [11.1.4]

2. Exception -- Professional Sports Counseling Panel and Head Coach. An institution's professional sports counseling panel or a head coach in a sport may contact agents, professional sports teams or professional sports organizations on behalf of a student-athlete, provided no compensation is received for such services. The head coach shall consult with and report his or her activities on behalf of the student-athlete to the institution's professional sports counseling panel. If the institution has no such panel, the head coach shall consult with and report his or her activities to the chief executive officer, [or an individual or group (e.g., athletics advisory board) designated by the chief executive officer]. The professional sports counseling panel and the head coach may: [11.1.4.1]

a. Communicate directly (e.g., in-person, by mail or telephone) with representatives of a professional athletics team to assist in securing a tryout with that team for a student-athlete;

b. Assist the student-athlete in the selection of an agent by participating with the student-athlete in interviews of agents, by reviewing written information player agents send to the student-athlete and by having direct communication with those individuals who can comment about the abilities of an agent (e.g., other agents, a professional league's players' association); and

c. Visit with player agents or representatives of professional athletics teams to assist the student-athlete in determining his or her market value (e.g., potential salary, draft status).

3. Coach/Parent -- Negotiations. A parent, who is an institution's coaching staff member, may participate in the activities listed in 12.2.4.3 (e.g., negotiations with professional team) on behalf of his or her child without jeopardizing the individual's amateur status. The coach, however, is not permitted to engage in any activities related to the marketing of his or her son's or daughter's athletics ability or reputation except as permitted in 11.1.4.1. [03/08/95 Staff, item 1 -e]

C. Representation for Future Negotiations. An individual shall be ineligible per 12.3.1 if he or she enters into a verbal or written agreement with an agent for representation in future professional sports negotiations that are to take place after the individual has completed his or her eligibility in that sport. [12.3.1.1]

D. Benefits from Prospective Agents. An individual shall be ineligible per 12.3.1 if he or she (or his or her relatives or friends) accepts transportation or other benefits from any person who represents the individual in the marketing of his or her athletics ability, or any agent, even if the agent has indicated that he or she has no interest in representing the student-athlete in the marketing of his or her athletics ability or reputation and does not represent individuals in the student-athlete's sport. The receipt of such expenses constitutes compensation based on athletics skill and is an extra benefit not available to the student body in general. [12.3.1.2]

1. For example, a student-athlete would jeopardize his or her intercollegiate eligibility in a particular sport if he or she accepted from a prospective agent automobile transportation from the member institution's campus to the prospective agent's office to discuss services the agent could provide to the student-athlete.

2. Student-Athlete Who is a Multisport Participant Receives Money From an Agent. A student-athlete may sign an agency contract for a particular sport, but by doing so, the student-athlete would render himself or herself ineligible in that sport. A student-athlete who receives money (or other benefits) from an agent who is representing the student-athlete only in a particular sport would remain eligible to participate in a second sport at the member institution. Under such circumstances, the student-athlete's financial aid would be required to be gradated in an amount equal to the loan or the value of the benefits, [04/26/91 IC, Item No. 1]

3. Agent Charging Fee to Student-Athlete on Deferred Payment Schedule. A student-athlete jeopardizes his or her eligibility if an agent provides advice to the student-athlete about a professional contract with the understanding that the student-athlete will pay the agent for such services once the student-athlete has been drafted by a professional sports organization, regardless of the fact that the agent provides the service only to student-athletes and has the same fee arrangement for all clients. [12/16/92 Staff, item 1-a]

4. Receipt of Improper Benefits. A student-athlete is determined to have received an improper benefit at the time the student-athlete accepts a benefit associated with an item that is not otherwise permissible under NCAA legislation. In situations in which a student-athlete accepts but does not actually use the impermissible item, such information may be considered as a mitigating factor in any appeal for restoration of the student-athlete's eligibility. [10/23/95 IC, Item No. 2]

E. Legal Counsel. Securing advice from a lawyer concerning a proposed professional sports contract shall not be considered contracting for representation by an agent under this rule, unless the lawyer also represents the student-athlete in negotiations for such a contract. [12.3.2]

1. Advice From Individuals Other Than Attorneys: This legislation (12.3.2) was not intended to restrict individuals other than lawyers (e.g., financial consultants, family friends) from giving advice regarding professional contracts. Advice may be secured from any individual concerning a proposed contract, provided the individual in turn does not represent the student-athlete in negotiations for such a contract. [07/09/87 IC, Item No. 10]

2. Attorneys and Professional Contracts: The background and original purpose of 12.3.2. In 1974, NCAA members recognized that student-athletes might need legal advice to assist them in understanding and evaluating professional sports contract offers made to them while they had eligibility remaining. Accordingly, member institutions adopted the current clause of 12.3.2 that permits a student-athlete to seek advice from a lawyer, provided the lawyer does not represent the student-athlete in negotiations for a professional sports contract. It was noted on the NCAA Convention floor during consideration of the proposal that a student-athlete may seek the advice of a lawyer relative to future negotiations or discussion of the individual's professional aspirations, so long as the lawyer does not become actively involved in negotiations with the professional team or organization. This legislation was intended to provide an opportunity for a student-athlete to receive advice so that he or she could understand a contract offer, but it was not intended to involve the lawyer in direct contact with a professional organization. Since the adoption of this legislation, more and more agent-attorneys have used the language to become involved actively in actual contract discussions with professional sports organizations. Some lawyers have asked professional sports organizations to communicate all contract offers to a particular student-athlete through them while at the same time insisting that they are not representing the student in contract negotiations. The legislation does not deny an individual the opportunity to seek competent legal counsel to review the terms of a proposed professional contract and to

assist the individual in understanding those terms, nor does it deny an individual the opportunity to be represented by legal counsel if he or she chooses to negotiate a professional contract and forgo his or her remaining eligibility. It does indicate that once the student decides to have legal counsel contact the professional club concerning the contract offer, the individual has agreed to be represented by an agent in the marketing of his or her athletics talent, and no longer is eligible per 12.3.2. [05/09/84, LAC No. 7]

3. Advice From a Lawyer or Agent Concerning a Proposed Professional Contract. A lawyer or agent may provide advice to an individual regarding the merits of a proposed contract without jeopardizing the individual's amateur status, provided he or she has no contact with the professional sports organization, and does not market the individual's athletics ability or reputation in a particular sport. [06/30/89 Staff, item 1-f]

F. Presence of a Lawyer at Negotiations. A lawyer may not be present during discussions of a contract offer with a professional organization or have any direct contact (i.e., in person, by telephone or by mail) with a professional sports organization on behalf of the student-athlete. A lawyer's presence during such discussions is considered representation by an agent. [12.3.2.1]

For example, if an individual was drafted by a Major League Baseball team and offered a contract, his advisor would not be permitted to negotiate with the professional team. In this regard, however, the advisor could provide advice to the individual in private regarding the merits of the contract. If the individual, in turn, elected not to accept the terms of the contract, he could negotiate the terms of the contract with the professional team by himself or with the assistance of his parents or the institution's professional sports counseling panel.

G. Professional Sports Counseling Panels.

1. Intent. In 1984, the NCAA membership adopted legislation that permits member institutions to establish professional sports counseling panels [12.3.4]. This legislation was intended to encourage member institutions to provide guidance to their student-athletes regarding future professional athletics careers. While legislation previously was adopted to permit institutions to offer career counseling in all areas, in 1984 the membership believed that student-athletes' involvement with professional athletics warranted special attention. While this focus on professional athletics is essential, it should not detract from an institution's role in providing guidance to student-athletes in career counseling generally. Further, this legislation was intended to assist student-athletes in making a decision regarding whether to remain in school or turn professional and providing guidance to student-athletes regarding contacts and agreements with player agents. Additionally, a panel should provide to the student-athlete a realistic appraisal of his or her potential for becoming a successful professional athlete. It is important that the student-athlete receive objective advice from individuals at institutions who have no vested interest in the student-athlete's career. Essentially, a panel should attempt to provide information to the student-athlete regarding professional athletics that he or she may not be able to obtain or understand sufficiently himself or herself.

2. An Institutional Professional Sports Counseling Panel May:

- a. Review a proposed professional sports contract.
- b. Negotiate contract terms with a professional sports organization on behalf of a student-athlete.

Coach who is Member of Institution's Professional Sports Counseling Panel. A coaching staff member who is a member of a professional sports counseling panel may not enter into negotiations with an agent or professional sports team/organization on behalf of a student-athlete. [11.1.5, 12.3.4, and 01/30/92 IC, Item No. 3]

- c. Invite outside consultants to advise a student-athlete. Use of outside career counseling resources by member institution's professional sports counseling panel. A professional sports counseling panel is permitted to use outside resources (e.g., an attorney) to assist in the review of a proposed professional sports contract. [11/17/89 Staff, item 1-f]
- d. Provide information to enrolled student-athletes in regard to purchasing disability insurance.
- e. Educate a student-athlete regarding NCAA eligibility legislation.
- f. Communicate directly (e.g., in-person, by mail or telephone) with representatives of a professional athletics team to assist in securing a tryout with that team for a student-athlete.
- g. Assist a student-athlete in the selection of an agent by participating with the student-athlete in interviews of agents, by reviewing written information player agents send to the student-athlete and by having direct communication with those individuals who comment about the abilities of an agent (e.g., other agents, a professional league's players' association). [12.3.4]
- h. Visit with player agents or representatives of professional athletics teams to assist a student-athlete in determining his or her market value (e.g., potential salary, draft status). [12.3.4]

3. Appointment by Chief Executive Officer. The panel shall consist of at least three persons appointed by the institution's chief executive officer (or his or her designated representative from outside the athletics department). [12.3.4.1]

4. Composition. No more than one panel member may be an athletics department staff member. All other panel members must be selected by the institution from among its full-time employees employed outside the athletics department. No institutional staff member who is a sports agent may be a member of the panel. All panel members shall be identified to the NCAA national office. [12.3.4.2]

III. AMATEUR STATUS/EQUIPMENT & APPAREL ITEMS/NEGOTIATIONS.

A. An individual loses amateur status and, thus, shall not be eligible for intercollegiate competition in a particular sport if the individual:

1. Uses his or her athletics skill (directly or indirectly) for pay in any form in that sport (e.g., receipt of payment from agents or for participation in exhibitions or postseason all-star contests); [12.1.1(a)]

2. Accepts a promise of pay even if such pay is to be received following completion of intercollegiate athletics participation; [12.1.1(b)]

3. Signs a contract or commitment of any kind to play professional athletics, regardless of its legal enforceability or any consideration received; [12.1.1(c)]

a. Legal Enforceability of Contract. A student-athlete in the sport of football at an institution was declared ineligible per 12.3.1, inasmuch as he signed an agreement with a Canadian agent to play Canadian professional football, even though the institution argued that the agent intentionally misrepresented the matter, thus making the agreement void. Members of the Council noted that the student-athlete clearly had signed the agreement and the fact that he may have been misled by the agent would be a mitigating factor to be considered in determining whether to restore eligibility. [10/15/80 Council]

b. Contractual Arrangements for Participation in Certified College All-Star Contest. Prior to the conclusion of the student-athlete's collegiate eligibility in the sport, a student-athlete or his or her director of athletics may enter into a contract guaranteeing the participation of the student-athlete in an all-star contest, provided all student-athletes in the all-star contest will receive only actual and necessary expenses for their participation. [09/06/91 Staff, item 1-d]

4. Receives, directly or indirectly, a salary, reimbursement of expenses or any other form of financial assistance from a professional sports organization based upon athletics skill or participation, except as permitted by NCAA rules and regulations; [12.1.1(d)]

5. Competes on any professional athletics team and knows (or had reason to know) that the team is a professional athletics team (per 12.02.4), even if no pay or remuneration for expenses was received; [12.1.1(e)]

6. Subsequent to initial full-time collegiate enrollment, enters into a professional draft (see also Bylaws 12.2.4.2.1 and 12.2.4.2.3); [12.1.1 (f)], or

7. Enters into an agreement with an agent or other entity to negotiate a professional contract. [12.1.1(g)]

Participation in a Foreign Tour Subsequent to Exhausting Eligibility. A student-athlete who no longer is eligible to represent his or her institution in intercollegiate competition due to a violation of NCAA amateurism regulations (e.g., signed with a professional organization, secured the services of an agent, asked to be placed on the draft list of a professional league) may not participate in an institution's foreign tour. [08/24/95 IC, Item No. 3]

B. Equipment & Apparel Items.

1. A student-athlete may not accept athletics equipment, supplies or clothing (e.g., tennis racquets, golf clubs, hockey sticks, balls, shirts) from a manufacturer or commercial enterprise. Such items may be provided to the student-athlete's institution, to be used by the institution's team in accordance with accepted practices for issuance and retrieval of athletics equipment. [16.11.2.5]

2. A prospect may receive apparel or equipment items related to the prospect's sport directly from an apparel or equipment manufacturer or distributor without jeopardizing the prospect's eligibility for intercollegiate athletics in that sport. However, a prospect may not enter into an arrangement (e.g., open account) with an apparel or equipment manufacturer or distributor that permits the prospect to select apparel and equipment items from a commercial establishment of the manufacturer or distributor without jeopardizing the prospect's eligibility for intercollegiate athletics in that sport.

[12.1.1.4.10]

C. Negotiations. An individual may request information about his or her professional market value without affecting his or her amateur status. Further, the individual, his or her legal guardians or the institution's professional sports counseling panel may enter into negotiations with a professional sports organization without the loss of the individual's amateur status. [12.2.4.3]

IV. ENDORSEMENTS/TRADING CARD INFORMATION.

A. Advertisements and Promotions Subsequent to Enrollment. Subsequent to becoming a student-athlete, an individual shall not be eligible for participation in intercollegiate athletics if the individual:

1. Accepts any remuneration for or permits the use of his or her name or picture to advertise, recommend, or promote directly the sale or use of a commercial product or service of any kind. [12.5.2.1(a)]

2. Receives remuneration for endorsing a commercial product or service through the individual's use of such product or service. [12.5.2.1(b)]

3. Exceptions. The individual's eligibility will not be affected, provided the individual participated in such activities prior to enrollment and the individual:

a. Meets the conditions set forth in 12.5.1.3 that would permit continuation of such activities (e.g., modeling and other nonathletically related promotional activities).

[12.5.2.1.1(a)]

b. Takes appropriate steps upon becoming a student-athlete to retract permission for the use of his or her name or picture and ceases receipt of any remuneration for such an arrangement. [12.5.2.1.1(b)]

4. Student-Athlete Agrees to Appear on a Playing Card. A student-athlete who has signed a contract to market the student-athlete's ability or reputation in a specific sport (e.g., for a trading card) would not jeopardize his eligibility in another sport, provided no arrangements for publication of the playing card have commenced (including a photo shoot) until the student-athlete had exhausted his or her eligibility in all sports. [03/13/91 Staff, item 1-a]

5. Trading Card Company Asking Student-Athletes to Complete and Return a Questionnaire. A student-athlete may complete and return a questionnaire that has been sent to the student-athlete by a trading card company without jeopardizing the involved

student-athlete's eligibility in a particular sport, provided the questionnaire is not an agreement or contract for future utilization of the student-athlete's name and/or picture. In addition, it would not be permissible for any preparation of the trading card to occur prior to the student-athlete's eligibility being exhausted. [12/02/92 Staff, item 1-a]

B. Use of a Student-Athlete's Name or Picture Without Knowledge or Permission. If a student-athlete's name or picture appears on commercial items (e.g., T-shirts, sweatshirts, serving trays, playing cards, posters, photographs) or is used to promote a commercial product sold by an individual or agency without the student-athlete's knowledge or permission, the student-athlete (or the institution acting on behalf of the student-athlete) is required to take steps to stop such an activity in order to retain his or her eligibility for intercollegiate athletics. Such steps are not required in cases in which a student-athlete's photograph is sold by an individual or agency (e.g., private photographer, news agency) for private use. (12.5.2.2)

V. PROFESSIONAL DRAFT AND TRYOUTS.

A. Inquiry. An individual may inquire about eligibility for a professional- league player draft without affecting his or her amateur status. (12.2.4.1)

B. Draft list. An individual loses amateur status in a particular sport when the individual asks to be placed on the draft list or supplemental draft list of a professional league in that sport, even though [12.2.4.2]:

1. The individual asks that his or her name be withdrawn from the draft list prior to the actual draft. [12.2.4.2(a)]

Student-Athlete Requested to be on Supplemental Draft List. A student-athlete with eligibility remaining who requested that the National Football League (NFL) include his name on a supplemental draft list, and who completed and returned a "Petition for Special Eligibility" to the NFL would be considered a professional, although the student-athlete received no confirmation of these arrangements from the league and subsequently withdrew his name from the draft list. (08/11/88 IC, Item No. 3)

2. The individual's name remains on the list but he or she is not drafted. [12.2.4.2(b)]

3. The individual is drafted but does not sign an agreement with any professional athletics team. [12.2.4.2(c)]

C. Exception -- Professional Basketball Draft. A student-athlete in the sport of basketball may enter a professional league's draft one time during his or her collegiate career without jeopardizing eligibility in that sport, provided the student-athlete is not drafted by any team in that league and the student- athlete declares his or her intention in writing to the institution's director of athletics to resume intercollegiate participation within 30 days after the draft. [12.2.4.2.1]

D. Tryout Prior to Enrollment. A student-athlete remains eligible in a sport even though, prior to enrollment in a collegiate institution, the student-athlete may have tried out with a professional athletics team in a sport or received not more than one expense-paid visit from any one professional organization in a sport, provided such a visit did not exceed 48 hours and any payment or compensation in connection with the visit was not in excess of actual and necessary expenses. A self-financed tryout may be for any length of time, [12.2.1.1.]

Number of Professional Teams that may Provide Expenses for Tryouts per Bylaw 12.2.1. An individual student-athlete would be permitted to receive an expense-paid tryout in a particular sport from more than one professional team in a league without jeopardizing his or her eligibility in the sport if the visit does not exceed 48 hours and any payment or compensation in connection with the visit does not exceed actual and necessary expenses; a student-athlete also would not be permitted to receive more than one expense-paid visit from the same professional team.

E. Tryout After Enrollment. A student-athlete shall not try out with a professional athletics team in a sport or permit a professional athletics team to conduct medical examinations during any part of the academic year (i.e., from the beginning of the fall term through completion of the spring term, including any intervening vacation period) while enrolled in a collegiate institution as a regular student in at least a minimum full-time academic load, unless the student-athlete has exhausted eligibility in that sport. The student-athlete may try out with a professional organization in a sport during the summer or during the academic year while not a full-time student, provided the student-athlete does not receive any form of expenses or other compensation from the professional organization. [12.2.1.2]

1. Medical-Examination Exception. A professional league's scouting bureau is permitted to conduct one medical examination per student-athlete during the academic year without jeopardizing the student-athlete's eligibility in that sport, provided the examination does not occur off campus. [12.2.1.2.1]

2. Outside Competition/Professional Tryout: A Division I student-athlete with remaining eligibility may compete on an outside team or tryout with a professional team at his or her own expense at the conclusion of the student-athlete's academic year (i.e., the student-athlete's last examination of the spring term, as opposed to the institution's last examination day). [05/29/96 Staff, Item a]

F. Outside Competition Prohibited. During a tryout, an individual may not take part in any outside competition (games or scrimmages) as a representative of a professional team. [12.2.1.3]

G. Professional Team Representative at College Practice. A tryout with a professional team is not considered to have occurred when a representative of a professional football team visits a member institution during the academic year and evaluates a student-athlete while the institution is conducting a regular practice session that includes physical activities (e.g., speed trials, agility tests, strength tests), provided these activities are normally a part of regular practice sessions and take place during such sessions.

[12.2.1.4]

Timing and Testing of Student-Athletes, It would be permissible for a member institution to notify a professional organization of the date on which the timing and testing of student-athletes (as part of the regular practice session, physical education/fitness class, or off-season conditioning program session) is to be conducted. It is not permissible for a professional sports organization to assist in the planning or conduct of these sessions; also, a coach may not test only a select group of student-athletes during these sessions. Further, it is not permissible for a member institution to set aside a day prior to the beginning of spring practice to be used as a professional timing and testing day, inasmuch as such an arrangement would be contrary to out-of-season practice regulations and would constitute an impermissible tryout for student-athletes who have remaining eligibility. [03/20/91, LAC No, 12]

H. Videotape of Institution's Contest to Professional Team. An athletics department staff member may provide (but not sell) to a professional team a videotape of an institution's contest/practice. Under such circumstances, a staff member may charge the professional team the actual cost of the blank videotape. Further, the institution (but not an athletics department staff member) may sell to a professional team a videotape of an institution's contest/practice in accordance with the provisions of 12.6.1.4. [04/14/95 Staff, item a]

VI. DISABILITY INSURANCE.

Exception for Insurance Against Disabling Injury. An individual may borrow against his or her future earnings potential from an established, accredited commercial lending institution exclusively for the purpose of purchasing insurance (with no cash surrender value) against a disabling injury that would prevent the individual from pursuing a chosen career, provided a third party (including a member institution's athletics department staff members, its professional sports counseling panel or representatives of its athletics interests) is not involved in arrangements for securing the loan. The student-athlete shall report all such transactions, and shall file copies of the loan documents (regardless of the source of the collateral for the loan) and insurance policy, with the member institution. The student-athlete also shall file copies of the insurance policy with the member institution, regardless of whether a loan is secured to purchase the insurance policy. [12.1.1.4.2]

A. Student-Athlete Purchasing Insurance Against a Disabling Injury. Since the NCAA represents all member institutions, the Association is not considered a "third party" that would be prohibited from making arrangements under the provisions of 12.1.1.4.2; "illnesses" may be covered under the provisions of 12.1.1.4.2; and the determination of what constitutes a disabling injury or illness for purposes of this legislation should be left to the discretion of the insurance program underwriters. [08/17/89 IC, Item No. I]

B. Coach Assisting in Procuring Disability Insurance. It would not be permissible for a coach (who is not a member of and acting as a part of an institution's professional sports counseling panel) to act on behalf of a student-athlete in procuring a disability insurance policy either from the NCAA disability insurance program or disability insurance program administered outside of the NCAA. It would be permissible for a coach to provide information to a student-athlete regarding the NCAA (or non- NCAA) disability insurance program, provided the coach does not assist the student-athlete in procuring (e.g., securing a loan to purchase) the disability insurance policy. [11/15/90 IC, Item No. 1]

C. Insurance Against Disabling Injury Related to Any Career. This provision applies to any nonathletics career (e.g., a physician), inasmuch as the 1985 Convention Proceedings state that the legislation is designed to allow student-athletes to borrow against future earnings in any chosen career, rather than only against future earnings as a professional athlete. [07/19/89 Staff, item 1-c]

D. Professional Sports Counseling Panel Members Involvement. A member institution's professional sports counseling panel may provide direction to assist a student-athlete in securing a loan for the purpose of purchasing insurance against a disabling injury; however, a member of the professional sports counseling panel, a member of the athletics department staff or a representative of the institution's athletics interests may not cosign a loan for such a purpose. [06/21/90 IC, Item No. 4]

E. Fiancé Cosigning a Loan. The application of this legislation would not preclude a student-athlete's fiancé from cosigning a loan for purposes of purchasing the disability insurance, inasmuch as the fiancé (or other family member) would not be construed as a "third party" for purposes of this legislation. [08/20/87 IC, Item No. 6]

F. Booster Providing Information Regarding Insurance Against Disabling Injury. A representative of a member institution's athletics interests, who also is a player agent, may provide information to a student-athlete to indicate which lending institutions and insurance companies would be interested in providing services for securing insurance against a disabling injury that would prevent the individual from pursuing a chosen career, inasmuch as such an arrangement is not contrary to the provision that a representative of an institution's athletics interests may not be involved in the arrangements for securing a loan. [03/24/89 Staff, item 1-b]

VII. FINANCIAL AID.

A. Types of Aid Included in Limit. In determining whether a student-athlete's financial aid exceeds the value of a full grant-in-aid, all institutional financial aid (per 15.02.4.1) and all funds received from the following and similar sources shall be included. [15.1.2]

1. Professional Sports Stipend. Any bonus or salary (no matter when received or contracted for) from a professional sports organization. [15.1.2(d)]

2. Athletics Participation Compensation. Any other income (no matter when received or contracted for) from participation in an athletics event unless eligibility has been exhausted in that sport [15.1.2(f)].

B. Reduction When Excess Aid is Awarded. In the event that a student-athlete's financial aid from the sources listed in 15.1.3, which includes institutional financial aid, will exceed a full grant-in-aid for the balance of the academic year, the institution shall reduce institutional financial aid so as not to exceed a full grant. Payments credited to a student-athlete's account that are not refundable by the institution to the scholarship office or other appropriate institutional agency shall not become the student's obligation. [15.1.4] Institutional Financial Aid to a Student-Athlete Under Contract With an Agent. An institution, at its discretion, may award financial aid to a student-athlete who remains under contract with an agent during the academic year subsequent to exhausting his or her four seasons of eligibility, provided the student-athlete is not under contract with a professional sports organization. [07/21/99 Staff, item 2] Summer School. A student-athlete may receive financial aid to attend summer school at the certifying institution, even though the student has signed with an agent, provided the student-athlete is not under contract to receive (or currently receiving) compensation from a professional sports organization. [05/17/89 Staff, item 1-f]

C. Institutional Financial Aid to Professional Athlete. It is permissible to award institutional financial aid to a student-athlete who is under contract to or currently receiving compensation from a professional sports organization, provided the student-athlete has completed his or her four seasons of competition, the student-athlete receives no more than five years of aid and such aid is received within six years after initial collegiate enrollment. [15.3.1.4]

Major League Baseball (MLB) Team Paying Educational Expenses for Student-Athlete. A student-athlete who receives educational expenses from a professional sports organization as a part of an employment contract does not jeopardize intercollegiate eligibility in all sports, inasmuch as such educational expenses are considered to be employment compensation as opposed to financial aid from an impermissible outside source. [08/23/00 Staff, item 2]

D. Amateur Status if Professional in Another Sport. A professional athlete in one sport may represent a member institution in a different sport (subject to conference rules). However, the student-athlete cannot receive institutional financial assistance in the second sport unless the student-athlete: [12.1.2]

1. No longer is involved in professional athletics.
2. Is not receiving any remuneration from a professional sports organization; and
3. Has no active contractual relationship with any professional athletics team. However, an individual may remain bound by an option clause in a professional sports contract that requires assignment to a particular team if the student-athlete's professional career is resumed.

Professional at Later Date. If the individual later becomes involved in professional athletics while still a student-athlete with remaining eligibility, the individual would be considered to have violated the principles of ethical conduct per Bylaw 10, thus rendering the individual ineligible for intercollegiate competition. [12.1.2.1]

E. Gradation and Cancellation During Period of Award. Institutional financial aid based in any degree on athletics ability may be reduced or cancelled during the period of the award if the recipient:

- a. Renders himself or herself ineligible for intercollegiate competition. [15.3.4.1(a)]
- b. Fraudulently misrepresents any information on an application, letter of intent or financial aid agreement. [15.3.4.1(b)]
- c. Engages in serious misconduct warranting substantial disciplinary penalty [15.3.4.1(c)]
- d. Voluntarily withdraws from a sport at any time for personal reasons; however, the recipient's financial aid may not be awarded to another student-athlete in the academic term in which the aid was reduced or cancelled. [15.3.4.1(d)].

1. Student-Athletes who Have Exhausted Eligibility Receiving Expenses From a Professional Sports Organization. An institution, at its discretion, may (but is not required to) reduce or cancel a student-athlete's institutional financial aid if the student-athlete participates for a professional sports organization and receives only actual and necessary travel, and room and board expenses (i.e., the student-athlete does not sign a written contract with or receive a salary from the professional team). [12/17/96 Staff, item 2]

2. Providing Financial Aid to a Student-Athlete who Signs a Professional Contract After Exhausting Eligibility During the Previous Academic Year. It is permissible to award institutional financial aid to a student-athlete who is under contract to or currently receiving compensation from a professional sports organization, provided the student-athlete has completed his or her four seasons of competition, the student-athlete receives no more than five years of aid and such aid is received within six years after initial collegiate enrollment. [15.3.1.4]

3. Providing Financial Aid to Former Professional Athletes. It is not permissible for an institution to provide financial aid to a former professional athlete who remains bound by a clause in a contract signed with a professional sports team or organization that suspends the contractual relationship only for a specified period of time (e.g., during season), but permits the professional sports team or organization to reinstate the contractual relationship. Such a clause would constitute an active contractual relationship with the professional sports team or organization rather than an option clause that simply allows a professional team or organization to retain the rights to a former player. [09/08/99 Staff, item 1]