Delayed Enrollment and Prize Money

SJSU Compliance Office
September 2012
Scenario - Facts

• Jenny Flip is a Gymnast who graduated in May 2011 and doesn’t plan to enroll at Tumbler University (TU) until Fall 2013.
• Jenny has participated on a club team since she graduated in May 2011.
• She stopped competing for the club team in July 2012 and will only practice during the 12-13 academic year and not compete prior to enrolling at TU.
Question

- If Jenny does not participate in any competitions during the 12-13 academic year and summer prior to initial enrollment at TU in F13, can she compete right away at TU?
Answer/Interpretation

- Yes
- Bylaw 14.2.3.2.1 allows for a prospect to compete only one year after graduation in outside competition.
- If Jenny were to compete for her club team during 12-13 and/or during the summer prior to initial enrollment at TU in F13, she would have to serve a year in residence and lose a year of eligibility.
14.2.3.2.1 Sports Other Than Men's Ice Hockey, Skiing and Tennis

A student-athlete (SA) has one year (six months for tennis… Bylaw 14.2.3.2.2) to enroll full-time in a collegiate institution after high school graduation, or he/she will be subject to the following:

a) SA will lose a season of eligibility for each calendar year after the one-year time period (the next opportunity to enroll after one calendar year has elapsed) and prior to full-time collegiate enrollment during which the SA participated in organized competition.
b) After the one-year time period, if SA has engaged in outside competition, on matriculation at the certifying institution, SA must fulfill an academic year in residence before being eligible to represent the institution in intercollegiate competition.
Scenario - Facts

• Curtis Cleat is a soccer player from England.
• Curtis graduated from high school in May 2010 and has not yet enrolled in college, as he competed for his Club Team during F10-S11 & SU11.
• During F11-S12 & SU12, Curtis was called up to the National Team in preparation for the Olympic Games.
• Once the Olympics were over, Curtis was then called down to the U-18 National Team to compete prior to his initial enrollment in Fall 2012 at Corner Kick University (CKU).
Question 1

• Can Curtis compete for the English National Team during the 2012 Olympics without jeopardizing a year of eligibility?
Answer/Interpretation

• Yes

• Bylaw 14.2.3.2.1.1 allows for a prospect to compete on his/her National Team for one year following the one year grace period after HS graduation without jeopardizing collegiate eligibility.

• F10-S11 & SU11 = grace period after HS graduation, F11-S12 & SU12 = National/International competition exempt from penalty, any other competition during this time would result in loss of one year of eligibility & YIR upon enrollment.
14.2.3.2.1.1 Exception -- National/International Competition

For a maximum of one year after a prospect's first opportunity to enroll full time in a collegiate institution following the one-year time period after his/her high school graduation date, participation in the following organized national/international competition is exempt from application of Bylaw 14.2.3.2.1 (loss of eligibility & YIR):

a) Official Olympic Games, Pan American Games, World Championships, World Cup, World University Games and World University Championships competition;
b) Officially recognized competition from which participants may directly qualify for final tryouts for a national team that will participate in the Olympic Games, Pan American Games, World Championships, World Cup or World University Games, World University Championships and final tryout competition from which participants are selected for such teams; or

c) Official competition involving a national team sponsored by the appropriate national governing body of the U.S. Olympic Committee (or, for student-athletes representing another nation, the equivalent organization of that nation).
Question 2

- After the 2012 Olympics, can Curtis continue competing on his U-18 National Team without jeopardizing eligibility?
Answer/Interpretation

• No
• Bylaw 14.2.3.2.1.1.1 states that any junior level competition is not included in the National/International Competition Exception.
• As a result of his competition on the U-18 National Team, Curtis will lose one year of eligibility & must serve a YIR upon enrollment at CKU.
14.2.3.2.1.1.1 Junior Level Competition

The national/international competition exception does not apply to junior level national/international competition (e.g., Youth Olympic Games, U20 World Cup, Junior National Teams) that may be associated with the events specified in Bylaw 14.2.3.2.1.1 (National/International competition).
Scenario - Facts

• Allison Spikes is a prospect who graduated in May 2009 and has not yet enrolled in a collegiate institution.

• Allison runs in the Back to School Fun Run that is held every year on September 1st.

• The Back to School Fun Run is an open event road race where official time is kept and results are announced and published in the local newspaper.

• Allison places in the top ten every year.

• With the great times she posts every year, Coach Stud Recruiter wants to bring in Allison to Distance University (DU) for Fall 2013.
Question 1

- Can Allison run at DU with no penalty? She only ran in road races...
• No
• Bylaw 14.2.3.2.1.3 states that road races are also included in the delayed enrollment penalties.
14.2.3.2.1.3 Road Racing

A SA who has participated in road racing activities after the one-year time period (the next opportunity to enroll after one calendar year has elapsed) and prior to full-time collegiate enrollment shall be charged with a season of competition in each of the sports of cross country, indoor track and field, and outdoor track and field for each calendar year after the one-year time period in which he or she participate in organized competition.
Question 2

• How many years will Allison lose? When will she be able to participate as a student-athlete at DU?
Answer/Interpretation

• Upon Fall 2013 enrollment, Allison will lose three years of eligibility
  – She participated in the Back to School Fun Run for three years after her one year grace period…10/11, 11/12 and 12/13

• Her first opportunity to compete at DU will be Fall 2014 after serving a year in residence.

• She will have one year of competitive eligibility after Fall 2014.
14.2.3.2.1.4 Volleyball and Sand Volleyball

Volleyball and sand volleyball are considered the same sport for purposes of Bylaw 14.2.3.2.
Amateurism and Prize Money

Bylaw 12.1.2
12.1.2 Amateur Status

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

a) Uses his or her athletics skill (directly or indirectly) for pay in any form in that sport;

b) Accepts a promise of pay even if such pay is to be received following completion of intercollegiate athletics participation;

c) Signs a contract or commitment of any kind to play professional athletics, regardless of its legal enforceability or any consideration received, except as permitted in Bylaw 12.2.5.1;
12.1.2 Amateur Status, cont’d…

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

e) Competes on any professional athletics team per Bylaw 12.02.5, even if no pay or remuneration for expenses was received, except as permitted in Bylaw 12.2.3.2.1;

f) After initial full-time collegiate enrollment, enters into a professional draft (see Bylaw 12.2.4); or

g) Enters into an agreement with an agent.
Scenario - Facts

• Jenny Goal is a women’s soccer prospect entering high school.
• Jenny has cumulative GPA of a 4.0 and is one of the top soccer prospects in the country.
• Soccer High School (SHS) is a private school with an expensive tuition.
• SHS offers scholarships to many students, and Jenny has been offered a scholarship to attend SHS and play on the soccer team.
• Her scholarship offer was based on academics AND athletics.
Question

• Can Jenny accept the scholarship without jeopardizing her future collegiate eligibility?
Answer/Interpretation

• Yes
  – Bylaw 12.1.2.1.3.1 states that a prospect may receive educational expenses from an individual or entity other than an agent, professional sports team/organization, member institution or a representative of an institution's athletics interests.
12.1.2.1.3.1 Educational Expenses or Services -- Prior to Collegiate Enrollment

A prospect may receive educational expenses or services (e.g., tuition, fees, room and board, books, tutoring, standardized test preparatory classes) prior to collegiate enrollment from any individual or entity other than an agent, professional sports team/organization, member institution or a representative of an institution's athletics interests, provided the payment for such expenses or services is disbursed directly to the individual, organization or educational institution (e.g., high school, preparatory school) providing the educational expense or service.
Scenario - Facts

- Sophie Backstroke is a swimming prospect from Stockholm, Sweden.
- Sophie received three $800 checks ($2,400 total) from Athletes in Excellence to assist with her general training expenses.
- Sophie received one check in the month of June, one in the month of July and one in the month of August.
Facts Cont’d.

• Additionally, Sophie received $2,000 from Athletes in Excellence and $1,000 through local fundraising efforts in the month of September to assist with costs incurred while competing in the December Stockholm Games.
• Sophie’s actual and necessary expenses associated with the Stockholm Games totaled $5,000.
• Athletes in Excellence is a local Stockholm funding program created to assist local elite athletes with training expenses.
Question 1

• Was it permissible for Sophie to accept the three $800 stipend checks from Athletes in Excellence to cover her general training expenses?
Answer/Interpretation

- No
- Bylaw 12.1.2.4.9.
  - General training expenses only permissible from National Governing Body or United States Olympic Committee (or international equivalent).
  - Impermissible source.
- Bylaw 12.1.2.1.4.3.
  - Expenses not related to competition or practice in preparation for competition in which the PSA is representing Athletes in Excellence.
12.1.2.4.9 Exception for Training Expenses

An individual (prospective or enrolled student-athlete) may receive actual and necessary expenses to cover developmental training, coaching, facility usage, equipment, apparel, supplies, comprehensive health insurance, travel, room and board without jeopardizing the individual's eligibility for intercollegiate athletics, provided such expenses are approved and provided directly by the U.S. Olympic Committee (USOC) or the appropriate national governing body in the sport (or, for international student-athletes, the equivalent organization of that nation).
12.1.2.1.4.3 Expenses From Outside Team or Organization

Expenses received from an outside amateur sports team or organization in excess of actual and necessary travel, room and board expenses, and apparel and equipment for competition and practice held in preparation for such competition are not permitted.

Practice must be conducted in a continuous time period preceding the competition except for practice sessions conducted by a national team, which occasionally may be interrupted for specific periods of time preceding the competition.
Question 2

- Was it permissible for Sophie to accept the $2,000 from Athletes in Excellence for competition-related expenses?
Answer/Interpretation

• Yes
• Bylaw 12.1.2.1.4.5.1:
  – Permissible for Sophie to accept expenses;
  – $2,000 from Athletes in Excellence is related to Sophie’s competition in the Stockholm Games; and
  – $2,000 is less than Sophie’s actual and necessary expenses ($5,000).
Question No. 3

• Was it permissible for Sophie to accept the $1,000 she received through fundraising efforts from outside sources for competition-related expenses?
Answer/Interpretation

- Yes
- Bylaw 12.1.2.1.4.5.1:
  - Permissible for Sophie to accept the $1,000 she received through fundraising.
    - Permissible source.
  - Permissible to accept earmarked competition-related expenses.
  - Up to actual and necessary expenses.
    - $1,000 is less than Sophie’s remaining actual and necessary expenses ($3,000).
12.1.2.1.4.5.1 Expenses Prior to Full-Time Collegiate Enrollment -- Individual Sports

In **individual sports ONLY**, prior to full-time collegiate enrollment, an individual may accept up to actual and necessary expenses associated with an athletics event and practice immediately preceding the event, from a sponsor (e.g., neighbor, business) other than an agent, a member institution or a representative of an institution's athletics interests.
12.1.2.1.4.5 Expenses from Sponsor Other Than Parents/Legal Guardians or Nonprofessional Sponsor of Event

General Rule: Actual and necessary expenses or any other form of compensation to participate in athletics competition (while not representing an educational institution) from a sponsor other than an individual upon whom the athlete is naturally or legally dependent or the nonprofessional organization that is sponsoring the competition are prohibited.
Scenario- Facts

• Alex Alley-Oop is a recruited first-year men’s basketball student-athlete at Ballin’ University.
• During October of Alex’s first year at Ballin’, his parents could not pay rent so they reached out to Alex’s former non-scholastic basketball coach, Charlie Cheatum, to see if he could loan them money.
• Charlie informed Freddy Football, a current NFL player and financial supporter of Alex’s former non-scholastic team.
• Freddy deposited $3,000 into the non-scholastic team bank account.
Facts Cont’d…

• Charlie withdrew the money and provided it to Alex’s parents.
• Alex’s parents repaid the money two months later.
• Alex had no knowledge of the loan to his parents for rent.
Question No. 1

• Was the loan provided to Alex’s parents from Freddy permissible?
Answer/Interpretation

• No

• Bylaw 12.1.2.1.6.
   – No benefits based on athletics reputation extends to parents.

• Bylaw 12.1.2.1.4.3.
   – Paying parent's rent is not considered an actual and necessary expense.
12.1.2.1.6 Preferential Treatment, Benefits or Services

Preferential treatment, benefits or services because of the individual's athletics reputation or skill or pay-back potential as a professional athlete, unless such treatment, benefits or services are specifically permitted under NCAA legislation is prohibited.
12.1.2.1.4.3 Expenses From Outside Team or Organization

Expenses received from an outside amateur sports team or organization in excess of actual and necessary travel, room and board expenses, and apparel and equipment for competition and practice held in preparation for such competition are not permitted.

Practice must be conducted in a continuous time period preceding the competition except for practice sessions conducted by a national team, which occasionally may be interrupted for specific periods of time preceding the competition.
Scenario - Facts

- Sarah Gold is an Olympic athlete who is enrolled at SJSU.
- Sarah won a gold medal in the gymnastics individual all-around competition.
- After winning the gold, the USOC paid for Sarah to have a sightseeing tour around the host city.
Question 1

• Has Sarah jeopardized her collegiate eligibility by accepting expenses for the sightseeing trip as entertainment over and above actual and necessary expenses from the USOC?
Answer/Interpretation

• No
  – Bylaw 12.1.2.1.4.3.2 states that it is permissible for a student-athlete to accept all nonmonetary benefits associated with Olympic competition.
12.1.2.1.4.3.2 Expenses/Benefits Related to Olympic Games

It is permissible for members of an Olympic team to receive all nonmonetary benefits and awards provided to members of an Olympic team beyond actual and necessary expenses, including entertainment, equipment, clothing, long distance telephone service, Internet access, and any other item or service for which it can be demonstrated that the same benefit is available to all members of that nation's Olympic team or the specific sport Olympic team in question.
Question 2

• Can Sarah keep her gold medal without jeopardizing her collegiate eligibility?
Answer/Interpretation

• Yes
  – Bylaw 12.1.2.1.5.2 allows for a student-athlete to accept an award, such as a gold medal, based on their place finish.
12.1.2.1.5.2 Awards Based on Performance in Outside Competition

An individual may receive an award (e.g., trophy, medal, saddle) based on place finish or performance in outside competition, subject to the applicable pre- and post-enrollment awards limits.
Scenario - Facts

• Rachel Racket is a women’s tennis prospect from Columbia.
• Raquel graduated high school June 2011, but was not recruited and did not have the financial ability to attend college without a scholarship.
• To gain exposure to college recruiters, Rachel continued to participate in organized competition until May 2012.
• She initially enrolled full-time at a Division I institution for the 2012 fall term.
Facts Cont’d.

• During 2011, Rachel earned $6,700 in prize money.
• During 2012, Rachel earned $11,500 in prize money, including $750 above expenses in one event.
• Rachel’s career expenses exceeded her career prize money.
Questions

• Was it permissible for Rachel to accept the $6,700 in prize money earned during 2011?
• Was it permissible for Rachel to accept the $11,500 prize money earned during 2012?
Answer/Interpretation

• Under Bylaw 12.1.2.4.2:
  – 2011:
    • Permissible for Rachel to accept $6,700 in prize money given prize money never exceeded $10,000.
  – 2012:
    • Permissible for Rachel to accept the first $10,000 in prize money because it was earned prior to full-time enrollment.
    • Remaining $1,500 in prize money evaluated on a per event basis.
    • Rachel received $750 above expenses in one event.
12.1.2.4.2 Prior to Full-Time Collegiate Enrollment -- Tennis

In tennis, prior to full-time collegiate enrollment, an individual may accept up to $10,000 per calendar year in prize money based on his or her place finish or performance in open athletics events (events that are not invitation only). Such prize money may be provided only by the sponsor of an open event in which the individual participates. Once the individual has reached the $10,000 limit in a particular year, he or she may receive additional prize money on a per-event basis, provided such prize money does not exceed the individual's actual and necessary expenses for participation in the event. The calculation of actual and necessary expenses shall not include the expenses or fees of anyone other than the individual (e.g., coach's fees or expenses, parent's expenses).
Scenario

• Donald Driver is a two-year college golf prospect.
• During the academic year, Donald plays in various amateur tournaments and wins gift cards to course pro shops.
• After playing for two years at his two-year college, Donald wants to transfer to Fairway State University (FSU).
Question

• Are there any problems with Donald accepting the gift cards?
Answer/Interpretation

• Yes

• Bylaw 12.1.2.4.3 states that any prize money accepted must be from a tournament that is played during the summer vacation period.
12.1.2.4.3 After Full-Time Collegiate Enrollment at Non-NCAA Institutions -- Outside the Playing Season During the Summer Vacation Period

After a prospect has enrolled full time at a non-NCAA institution, he or she may accept prize money based on his or her place finish or performance in an open athletics event (an event that is not invitation only), provided the competition occurs outside his or her institution's declared playing and practice season during the institution's summer vacation period. Such prize money may not exceed actual and necessary expenses and may be provided only by the sponsor of the open event. The calculation of actual and necessary expenses shall not include the expenses or fees of anyone other than the prospect (e.g., coach's fees or expenses, parent's expenses).
12.1.2.1.4.1 Cash or Equivalent Award

Cash, or the equivalent thereof (e.g., trust fund, scrips), as an award for participation in competition at any time, even if such an award is permitted under the rules governing an amateur, noncollegiate event in which the individual is participating.

An award or a cash prize that an individual could not receive under NCAA legislation may not be forwarded in the individual's name to a different individual or agency.
Scenario- Facts

• Suzie Shortstop plays on the Australian National Softball Team and is enrolled at Grand Slam University
• Suzie’s team placed 2\textsuperscript{nd} in the World Championship
• Because of their high finish Suzie received a check for $2,000
• Suzie’s expenses to go back home and play on this team was $5,000
Question

• Is it permissible for Suzie to accept this money?
Answer/Interpretation

• No
• Bylaw 12.1.2.4.4 allows for prize money to be accepted for current student-athletes in individual sports during the summer vacation period only, NOT in team sports.
12.1.2.4.4 Outside the Playing Season During the Summer Vacation Period -- Individual Sports

In **individual sports**, a student-athlete may accept prize money based on his or her place finish or performance in an open athletics event (an event that is not invitation only), provided the competition occurs outside the institution's declared playing and practice season during the institution's summer vacation period. Such prize money may not exceed actual and necessary expenses and may be provided only by the sponsor of the open event. The calculation of actual and necessary expenses shall not include the expenses or fees of anyone other than the student-athlete (e.g., coach's fees or expenses, parent's expenses).
12.1.2.1.5 Payment Based on Performance

**General Rule:** Any payment, including actual and necessary expenses, conditioned on the individual's or team's place finish or performance or given on an incentive basis, or receipt of expenses in excess of the same reasonable amount for permissible expenses given to all individuals or team members involved in the competition are prohibited.
12.1.2.4.5 Payment Based on Team Performance Before Full-Time Collegiate Enrollment -- Sports Other Than Men's Ice Hockey and Skiing

In sports other than men's ice hockey and skiing, before full-time collegiate enrollment, an individual may accept payment based on his or her team's place finish or performance, or given on an incentive basis (e.g., bonus), provided the combination of such payments and expenses provided to the individual does not exceed his or her actual and necessary expenses to participate on the team. The calculation of actual and necessary expenses shall not include the expenses or fees of anyone other than the prospective student-athlete (e.g., coach's fees or expenses, parent's expenses).
Scenario - Facts

• Allison Spikes also ran in the Nike San Francisco 10k and placed in the top 10.
• The top 10 participants in this race win a pair of shoes directly from Nike, the sponsor of the event and $100.
• Allison lives in Sacramento, so the costs for her to run in this event is $200.
Question

• Can Allison accept the money and free pair of shoes?
Answer/Interpretation

• Yes
  – Bylaw 12.1.2.4.13 permits Allison to accept equipment directly from a manufacturer.
  – Bylaw 12.1.2.4.1 permits Allison to accept money prior to enrollment based on a place finish, so long as the prize money does not exceed the actual and necessary costs of the event.
12.1.2.4.13 Exception for Receipt of Free Equipment and Apparel Items by a Prospect

It is permissible for prospects (as opposed to student-athletes) to receive free equipment and apparel items for personal use from apparel or equipment manufacturers or distributors under the following circumstances:

a) The apparel or equipment items are related to the prospect's sport and are received directly from an apparel or equipment manufacturer or distributor;
12.1.2.4.13 Exception for Receipt of Free Equipment and Apparel Items by a Prospect, cont’d…

b) The prospect does 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; and

c) A member institution's coach is not involved in any manner in identifying or assisting an apparel or equipment manufacturer or distributor in determining whether a prospect is to receive any apparel or equipment items.
12.1.2.4.1 Prior to Full-Time Collegiate Enrollment -- Sports Other Than Tennis

In sports other than tennis, prior to collegiate enrollment, an individual may accept prize money based on his or her place finish or performance in an open athletics event (an event that is not invitation only). Such prize money may not exceed actual and necessary expenses and may be provided only by the sponsor of the open event. The calculation of actual and necessary expenses shall not include the expenses or fees of anyone other than the prospect (e.g., coach's fees or expenses, parent's expenses).