

## MEMORANDUM

August 4, 2014



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[www.ncaa.org](http://www.ncaa.org)

TO: NCAA Division III Directors of Athletics  
Directors of Financial Aid.

FROM: Scott Siegenthaler, chair  
NCAA Division III Financial Aid Committee.

SUBJECT: Importance of Conducting a Student Financial Aid Self-Assessment.

### Background

With the adoption of the Financial Aid Reporting Program during the 2004 NCAA National Convention, the Division III membership reaffirmed a divisional philosophical tenet relevant to Bylaw 15. Specifically, a member institution “shall not award financial aid to any student on the basis of athletics leadership, ability, participation or performance.” The adoption of the reporting program established an important financial aid educational vehicle and accountability measure for member institutions and the Division III Financial Aid Committee.

Since the inception of the program, 207 Division III institutions (47 percent of the membership) have been reviewed by the committee. Of the 207, the committee has requested and assessed explanations from 171 institutions regarding the review triggers, policies and procedures for administering student financial aid and the impact of those policies and procedures on the financial aid package for their student-athletes. Those reviews have resulted in the discovery of financial aid violations at 89 institutions.

Although a number of member institutions are operating in good faith and self-reporting violations found through self-assessments, as required and outlined in the NCAA Constitution 2.8.1, the Financial Aid Committee has found an apparent discrepancy between the reporting program review triggers and discovered violations. In 76 of the 89 cases, the violation discovered was unrelated to the information that initially led to the review. Rather, a violation was discovered in the policies and procedures for administering student financial aid. Most often this involved the consideration of athletics within the broader context of high school participation or leadership in the awarding of a scholarship or in an awarding matrix.

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Nearly all of these cases were processed as secondary violations, or infractions that are isolated, inadvertent and do not result in a recruiting or competitive advantage. While one could argue this appears to be a case of significant disparate impact on these institutions, it could also be argued that the violations discovered through the financial aid reporting process could have been identified if the individual institutions had been conducting a self-assessment with key campus constituents (e.g. athletics director, financial aid director, admissions director).

### Conducting a Self-Assessment

With the 2014-2015 reporting cycle upon us, the Financial Aid Committee strongly encourages each institution to conduct a self-assessment using the reports available through the Financial Aid Data Management System (FADMS), ensure that the data being submitted is accurate, make use of the Policies and Procedures Worksheet found in the FADMS Users' Guide, and take advantage of any educational opportunities provided by the NCAA staff and conference offices. These self-assessments should occur on a regular and periodic timetable. The use of the self-assessment tools and educational seminars can help ensure that member institutions are doing their part to uphold the Division III financial aid bylaws.

Here's how to take action:

- Schedule regular and periodic meetings with the Athletics Director, Financial Aid Director and Admissions Director to review current institutional financial aid policies and procedures in relation to athletics and NCAA bylaws.
- Forward this memorandum to all relevant campus constituents (e.g. financial aid, athletics, admissions, development).
- Distribute the [Division III Financial Aid Educational Resource](#) to all relevant campus constituents (e.g. financial aid, athletics, admissions, development).
- Participate in educational sessions via the NCAA Convention, Regional Rules Seminar or with your conference office.
- Utilize the reports available to you via the FADMS – school profile reports, review history and trend reports, division-wide review results, and division-wide findings.
- Seek answers and increase understanding by using available resources – the athletics department, the conference office, and NCAA staff.

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Please contact Eric Hartung ([ehartung@ncaa.org](mailto:ehartung@ncaa.org)), Associate Director of NCAA Research, or Brandy Hataway ([bhataway@ncaa.org](mailto:bhataway@ncaa.org)), Academic and Membership Affairs, should you have any questions regarding the application of Division III financial aid legislation or general questions about the financial aid reporting process.

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cc: Chancellors and Presidents ]  
Senior Woman Administrators ]  
Athletics Directors Direct Report ] – of NCAA Division III Member Institutions.  
Faculty Athletics Representatives ]  
Conference Commissioners ]  
Directors of Admissions ]