Learning Objectives

- **Education:**
  - Teach fundamental financial aid legislation.
  - Help attendees effectively explain financial aid legislation to institutional constituents.

- **Identification:**
  - Help attendees recognize basic financial aid issues.

- **Application:**
  - Help attendees apply financial aid legislation to basic factual scenarios.
Questions We Will Discuss

Is it permissible for the SA to receive the financial aid?

Does the financial aid count towards individual and team financial aid limits?

What are the applicable terms and conditions of the financial aid award?

What expenses can be covered by the financial aid award?

QUESTION NO. 1:

IS IT PERMISSIBLE FOR THE SA TO RECEIVE THE FINANCIAL AID?

Basic Principles

- In order to permissibly receive financial aid:
  - SA must be eligible to receive institutional financial aid.
  - Financial aid must come from a permissible source.
Eligibility for Financial Aid

(NCAA Bylaw 15.01.5) A student-athlete is eligible to receive institutional financial aid during any term provided the SA:

• Is an undergraduate or graduate student with eligibility remaining under the five-year rule.
• Was initially enrolled full-time during the term.
• Is eligible to receive financial aid pursuant to conference and institutional regulations.

Exceptions to Full-Time Enrollment

• Final Term.
• Exhausted Eligibility.
• Former Student-Athlete.

Exception to Full-time Enrollment: Final Term of Enrollment

• Institution must certify SA is enrolled in all courses necessary for graduation during the term.
Exception to Full-time Enrollment: Exhausted Eligibility

- **SA’s Who Have Exhausted Eligibility but Have Time Remaining Under the 5-Year Rule.**
  - Institution must certify SA is enrolled in all courses necessary for graduation during the term; OR
  - Institution must certify SA is enrolled in all degree applicable courses necessary for graduation available during the term.

Exception to Full-Time Enrollment: Former Student-Athletes

- Former SA’s also eligible to receive institutional financial aid during any term.
  - Full or part-time enrollment.
- **Who is considered a former SA?**
  - SA’s who have exhausted their 5-year period of eligibility.
  - Professional athletes returning to the institution.
    - May not compete in another sport if within 5-year period.

Exception to Full-time Enrollment

- **October 19, 2015, Staff Interpretation.**
  - If an SA is granted a waiver to practice and compete while enrolled less than full time;
  - Shall be considered full time for purposes of financial aid, awards and benefits and playing and practice seasons.
Institutional Financial Aid

- Institutional Financial Aid.
- Parents or Guardians.
- Financial Aid Unrelated to Athletics.
- Established and Continuing Program.
- United States Olympic Committee.

Permissible Sources of Financial Aid

- Scholarships.
- Grants.
- Tuition Waivers.
- Employee Dependent Tuition Benefits. (Unless employed as full-time faculty staff for five years)
- Loans.
- Aid From Government Sources. (When institution is responsible for selecting recipients, determining amount of aid or providing matching or supplementary funds.)

Established and Continuing Program

- Choice of institution may not be restricted by the donor.
- No direct connection between the donor and certifying institution.
- Not from an outside sports team or organization to student-athlete who is or was a member of the team or organization.
- May include athletics criterion in selection of recipient.
- e.g., Little League scholarship, high school booster club scholarship
QUESTION NO. 2:
DOES THE FINANCIAL AID COUNTS TOWARDS INDIVIDUAL AND TEAM FINANCIAL AID LIMITS?

**Basic Principle**:
- Total sum of SA's financial aid (i.e., institutional financial aid + any other financial aid) may not exceed his or her cost of attendance.

**Individual Limit**

- Bylaw 15.2.5.1 lists a number of government grants which are not counted towards the individual financial aid limit. e.g.:
  - AmeriCorps Program
  - Disabled Veterans
  - Military Reserve Training Programs
  - Montgomery G.I. Bill
  - Post-9/11 G.I. Bill – Contributions by the institution as part of the Yellow Ribbon Program are countable and considered institutional financial aid.

**Exception: Exempted Government Grants**

- Bylaw 15.2.5.1 lists a number of government grants which are not counted towards the individual financial aid limit. e.g.:
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  - Montgomery G.I. Bill
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Team Limits

**Basic Principle:**
- Once SA triggers “counter” status, all institutional financial aid counts towards institutional team limits.
  - Except exempted institutional financial aid.

Triggering “Counter” Status

- *(Bylaw 15.5.1)* An SA triggers counter status during any academic year in which he or she:
  - Receives institutional financial aid based in any degree on athletics ability.
    - Basketball and Football have more restrictive standards (Bylaw 15.5.1.1.)
  - Receives financial aid from the USOC or national governing body in the sport.
*Note: Other permissible outside financial aid does not trigger counter status even if athletics is a criterion for selection of the award recipient (e.g., established and continuing program).*

Exception: Exempted Institutional Financial Aid

- Certain types of institutional aid may be exempt from counting toward the institutional (team) limit for a student-athlete who is otherwise a counter. E.g.:
  - Honorary academic awards, federal need-based grants (e.g., SEOG), state need-based grants, state merit-based grants (Bylaw 15.02.4.4).
  - Academic Honor Awards (Bylaws 15.5.3.2.4.1 and 15.5.3.2.4.2).
  - Institutional Academic Scholarships (Bylaw 15.5.3.2.4.3).
Head Count vs. Equivalency Sports

- Head count sports have limits for the total number of counters.
- Equivalency sports limit total number of equivalencies that can be awarded. Aid expressed as a fraction.
  - Amount of aid received by the student-athlete (up to cost of attendance) as the numerator.
  - Cost of attendance as the denominator.

Equivalencies: Actual vs. Average Method

- May use actual or average cost of any or all of the elements (other than books), provided the same method is used in the numerator and denominator.
  - Actual method involves a calculation based on a student-athlete's actual grant-in-aid.
  - Average method involves a calculation based on the average value of a grant-in-aid at the institution.
- Either method (or different combinations of methods among elements) may be used for each student-athlete on the same team or for separate teams.
- It is not permissible to average the value of in-state and out-of-state tuition and fees to determine an average cost for tuition and fees.

QUESTION NO. 3:
WHAT ARE THE APPLICABLE TERMS AND CONDITIONS?
Period of the Award
Bylaws 15.02.7, 15.3.3.1, 15.3.3.2:
- One academic year up to the remainder of the five-year period of eligibility.
- The period of the award begins when a student-athlete receives any benefits as part of grant-in-aid or first day of class or practice, whichever occurs first.
- One year grants-in-aid must be awarded in equal amounts for each term of the academic year.
- The summer term is a separate award from the regular academic year award.

Exception: One Year Period
- Midyear enrollment.
  - Applicable if student-athlete’s first full-time term of attendance at the certifying institution occurs after the first term of that academic year.
- Final semester or quarter.
  - Student-athlete must meet requirements of the final semester/quarter exception.
- Graduated during previous academic year (including summer) and will exhaust eligibility during the following fall term.

Exception: One Year Period, Cont’d.
- One-time exception.
  - Student-athlete has been enrolled full-time at certifying institution for at least one regular academic term; and
  - Student-athlete has not previously received athletics aid from the certifying institution.
- Eligibility exhausted/medical noncounter.
  - Agreement must specify nonathletically related conditions (e.g., academic requirements) for renewal.
NCAA Proposal No. 2015-22 [Autonomy]

A nonrecruited SA may be awarded athletics aid for less than a full academic year.
SA must be enrolled full time for at least one regular academic term.
Effective August 1, 2016.

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Exception: One Year Period, Cont’d.

Increase, Reduction & Cancellation

Increase permitted for any reason at any time.
Decrease not permitted from the time the student-athlete signs the institution’s agreement until the conclusion of the period of the award.
Except under Bylaw 15.3.4 or Bylaw 15.3.5 (autonomy):

Reduction & Cancellation

Nonautonomy: Financial aid may be cancelled or nonrenewed for any reason after the conclusion of the period of the award.
Autonomy: Student-athlete who receives athletically-related financial aid during initial year of enrollment at the certifying institution may not have aid reduced or cancelled after period of award for:
Athletics ability; performance or contribution to a team's success; injury, illness or physical or mental medical condition; or any other athletics reason.
A student-athlete may release an institution from its obligation to provide athletics aid, provided:
- Occurs before SA becomes a counter.
- On SA's own initiative.
- Non-athletically related institutional financial aid is equal or greater than signed award of athletically related financial aid.

**Release of Obligation, Cont’d.**

**Proposal No. 2015-23 [Autonomy]**
- Extends the ability to release an institution of its obligation to provide athletically related aid to multi-year agreements.
- Current rule limited to single year awards.
- Effective August 1, 2016.

**Retroactive Financial Aid**
- Institutional financial aid awarded to an enrolled student-athlete after the first day of classes in any term:
  - May not exceed the remaining room and board charges and educational expenses for that term; and
  - May not be made retroactive to the beginning of that term.
List of requirements per Bylaw 15.2.8:
- Separate award, but no written statement required (Bylaw 15.3.3.2.1).
- Summer prior to initial full-time enrollment.
- Summer coursework may not be used to complete initial-eligibility or continuing eligibility requirements (i.e., transfer eligibility, progress toward degree) during initial year of enrollment.
- Remember! Football SA’s that receive aid prior to initial full-time enrollment become counters for the academic year.

Summer Financial Aid – New Students
- Awarded in proportion to aid during prior academic year, unless:
  - Exhausted eligibility and enrolled in degree-applicable courses.
  - First-time recipient in next academic year.
    - May receive summer aid in proportion to athletics aid awarded for next academic year.

SUMMER FINANCIAL AID – NEW STUDENTS
- Awarded in proportion to aid during prior academic year, unless:
  - Exhausted eligibility and enrolled in degree-applicable courses.
  - First-time recipient in next academic year.
    - May receive summer aid in proportion to athletics aid awarded for next academic year.

SUMMER FINANCIAL AID – CONTINUING STUDENTS
- Awarded in proportion to aid during prior academic year, unless:
  - Exhausted eligibility and enrolled in degree-applicable courses.
  - First-time recipient in next academic year.
    - May receive summer aid in proportion to athletics aid awarded for next academic year.

QUESTION NO. 4:
WHAT COSTS CAN BE COVERED?
**Definition of a Full Grant-in-Aid**

- A full grant-in-aid is financial aid that consists of:
  - Tuition and fees;  
    - Can pay fees included in cost-of-attendance or fees paid for other students as part of a scholarship.
  - Room and board;
  - Books; and
  - Other expenses related to attendance at the institution **up to the cost of attendance**.

**Prospective Student-Athlete Fees**

- Can’t waive, pay in advance or guarantee payment of the following fees, unless consistent with institutional policy of all prospective student-grantees.
  - Application processing fee.
  - Orientation-counseling tests fee required of all students.
  - Pre-admission academic testing fee.
  - Advance tuition payment or room deposit.
  - Damage deposits for dormitory rooms.
  - ROTC deposits for military equipment.
  - Permissible to rebate first four fees following enrollment.

**Room Allowance**

- Off-campus room stipend.
  - An institution may provide an amount equal to:
    - The institution’s official on-campus room allowance as listed in its catalog;
    - The weighted average of the room costs for all students living in on-campus facilities; or
    - The cost of room as calculated based on its policies and procedures for calculating cost of attendance for all students.
Board Allowance

- Off-campus board stipend.
  - An institution may provide an amount equal to:
    - The maximum meal plan that is available to all students; or,
    - The cost of meals as calculated based on its policies and procedures for calculating cost of attendance for all students.
    - Excluding training table.

Books

- Actual cost of required course-related books.
  - No limit on the dollar amount that may be provided.
  - Nonautonomy: Each book must be required for a course in which the student-athlete is enrolled.
  - Autonomy: May pay for both required and optional books.
  - May provide cash equal to the actual cost of the books.
- Books count as $800 in the denominator for purposes of calculating a student-athlete’s equivalency.

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