



# NCAA Compliance: Eligibility, Financial Aid, and Recruiting

---

## ACUA Kick Starter

ASSOCIATION OF COLLEGE & UNIVERSITY AUDITORS

Justin T. Noble, Virginia Tech

November 2020

## Background

Regardless of athletic division, National Collegiate Athletic Association (NCAA) compliance can be a very high-risk activity. NCAA compliance is based on the philosophy of institutional control. NCAA bylaw 2.1.1 requires that each institution assumes responsibility for controlling its athletics programs in compliance with the membership's established rules and regulations. It is therefore the institution's duty to manage its athletics risks to ensure all individuals comply with the NCAA bylaws.

Historically, the NCAA bylaws required a review of the compliance program every four years. Given the hefty task to manage the process, most institutions chose to break the review into pieces for annual evaluation. In recent years, the NCAA suspended the review requirement, thereby freeing up critical audit hours for focus on those bylaws which carry a higher compliance risk.

While all NCAA rules are important, three of them which should be looked at on a consistent basis are Eligibility, Financial Aid, and Recruiting. If an institution recruits a student, plays them when not eligible, or provides them aid to which they are not entitled, the institution could be forced to vacate wins, including foregoing the financial benefits from bowl game or tournament participation. Previously, the NCAA has assessed serious penalties for failure to comply with these specific bylaws.

- **Eligibility:** There is no greater NCAA compliance risk than eligibility, which is commonly divided into initial, transfer, and continuing. This is based on the concept that the institution will not permit a student to represent it in competition unless the student meets all applicable eligibility requirements of the NCAA, conference, and institution. Concerning initial eligibility, the NCAA has specific standards that incoming students must meet prior to practicing, competing, and receiving institutional financial aid.
- **Financial Aid:** Administration of athletics aid is highly complex. An athlete may receive aid from both the university and certain sources outside the institution, which is based on the institution's calculation of cost of attendance in accordance with federal guidelines. Some of the terms that are important to be familiar with include "cost of attendance," "full grant-in-aid," and "financial aid limit." Collaborating with the institution's financial aid officer over athletics aid is important for ensuring compliance with these requirements.
- **Recruiting:** NCAA recruiting is restrictive in regards to the contact period, evaluation period, quiet period, dead period, and recruiting period. Each of these are defined in the bylaws and vary by sport and season.

## Key Risks

### Eligibility:

- Initial eligibility
  - The institution fails to use the NCAA Eligibility Center to certify the student prior to admission.
  - Eligibility determination is not made by an independent person outside of Athletics.

- A student-athlete is admitted who does not meet the institutional guidelines.
- A student-athlete is admitted under special or provisional guidelines not available to the general university population.
- A student-athlete competes who is not noted on the approved squad list.
- A student-athlete does not complete the drug-testing consent process prior to competition.
- Transfer eligibility
  - The institution fails to meet the one-year residency requirement or ensure completion of the waiver/exception process.
  - The institution fails to apply transfer degree credits in the same manner as for the general student population.
  - The institution incorrectly calculates the remaining number of eligible seasons.
  - The institution fails to obtain the required release from each of the athlete's previous institutions.
- Continuing eligibility
  - The institution applies a different standard of 'good academic standing' to student-athletes than to the general student population.
  - The student-athlete does not meet required progress-toward-degree requirements required of all students.

**Financial Aid:**

- A student-athlete obtains total aid over the allowable cost of attendance.
- A student-athlete receives aid for which they are not eligible.
- The institution fails to provide a written, detailed financial aid award to the student-athlete.
- The amount offered on the financial aid award differs from the amount received.
- Duties are not segregated, or monitoring is ineffective to ensure disbursement of the appropriate amount of aid.
- Summer/interim aid is awarded inappropriately or is miscalculated.
- The institution exceeds the total number of allowable awards for a particular team.

**Recruiting:**

- Athletics compliance does not adequately advise or remind individual sport recruiters of coming periods and allowable forms of communication.
- Sport recruiters make inappropriate contact within the institution regarding admission and financial aid decisions.
- Processes are inadequate to capture communications with prospective student-athletes.
- Recruiting occurs at unallowable times or includes unallowable benefits.
- Official and unofficial visits are not appropriately timed, contain unallowable benefits, and/or last too long.

## Key Controls

---

### Eligibility

- Appropriate segregation of duties exists between the college programs enrolling the students, the admissions office, and athletics.
- Admission and selection to a degree program is reviewed and approved outside of Athletics.
- Transfer credits are processed outside of Athletics.
- GPA calculations are derived using the institution's standard calculation method, and incomplete courses are handled the same regardless of athletic status.
- Athletics utilizes the NCAA Eligibility Center to determine prospective student-athlete initial eligibility.
- Certification of status is obtained from Athletics compliance prior to allowing a student-athlete to compete (squad list review and approval).

### Financial Aid

- Appropriate segregation of duties exists between the Financial Aid office and Athletics.
- The cost of attendance used for grants-in-aid is the same as the institution's federal calculation.
- Appropriate monitoring controls (a "second set of eyes") exist to verify calculations and payments.
- Reconciliations occur between signed financial aid award agreements, financial aid calculations, and student payments.
- A mechanism is employed to track and calculate current award commitments.

### Recruiting:

- Adequate systems are in place to capture prospective student athletes' contact information and logging of contacts made.
- Education logs show who, what, and when Athletics compliance both educated and reminded individual sport recruiters of coming periods and allowable forms of communication.
- Contact logs are monitored to ensure contact only commences once a prospect becomes eligible.
- Official and unofficial visits are tracked and all individuals taking part in the visit are educated on the allowable benefits.
- Visit forms are obtained that show the visit timing, lists benefits provided, and include a post visit review.
- Student athletes, boosters, and university administrators are educated on permissible and impermissible prospect contacts.

## Audit Tests

### General Athletics Compliance Tests

- Procedures: Ensure policies exist with adequate support from procedures that accurately reflect the current operations for the areas under review. Ensure the policies and procedures are congruent between the compliance manual, coaches' handbook, and student-athlete handbook, all of which should be posted to internal and external websites.
- Education: Ensure the comprehensive education program covers all necessary bylaws and constituencies. Review the educational materials, sign-in sheets, and attendance tracking to affirm the institution can demonstrate enforcement of its educational responsibilities. Extend education efforts beyond Athletics to include other core groups (e.g., Financial Aid, Bursar's Office, President, Board, boosters).
- Monitoring: Ensure the monitoring program addresses the risk associated with the bylaw. Review documentation to ensure it can demonstrate the monitoring occurs. Ensure that if any documentation suggests a bylaw issue, it is reviewed.

### Eligibility, Financial Aid, Recruiting

- For a comprehensive list of audit tests, [ACUA members](#) can utilize the ACUA NCAA Audit Guides for Division I and Division II located online at ACUA.org under Resources.
- These guides provide valuable test steps, references to common NCAA enforcement findings, and detailed recommendations to assist institutions in enabling correct decisions in these areas.

## Data Analytics

Comprehensive data analytics are still being developed for NCAA compliance, but some areas to consider that can aid in evaluating and improving oversight include:

- Eligibility
  - Pull all student-athlete admission data from the initial enrollment data and confirm admissions complied with the standards applicable at the time (e.g., incoming high school GPA/class rank, standardize test minimum scores, essay or 'soft' admission criteria).
  - Pull all transfer credits for student-athletes to ensure mapping to approved equivalencies.
  - Pull all grade changes, incompletes, or other grade statuses affecting continuing GPAs to ensure eligibility was not affected based on the augmented grades.
- Financial Aid
  - Obtain all postings to student-athlete accounts to ensure they do not exceed the cost of attendance.

## Common Audit Findings

---

### Eligibility

- Non-qualified student-athletes are listed and participate in countable athletic-related activities, receive travel expenses, and/or receive financial aid inappropriately.
- Student-athletes begin activities prior to certification by the NCAA Eligibility Center, especially beyond the permissible 45-day temporary period.
- Student-athletes begin activities or receive financial aid but are later found to be out of compliance with admission standards due to invalidated ACT/SAT.

### Financial Aid

- Failure to notify renewal/non-renewal or change of award amount (increase or decrease).
- Awards exceed the maximum allowable amount.
- Equivalency limits are calculated incorrectly.

### Recruiting

- *Note: 50% of all cases in the past few years involve a recruiting bylaw violation.*
- A representative of athletic interests (booster), enrolled student-athlete, or other recruiter initiates contact with a prospective student-athlete at an impermissible time.
- Contact is initiated prior to certification.
- An impermissible benefit is provided to a prospective student-athlete.

## Tips & Tricks

---

- Establish the audit team as a professional resource for the Athletics Compliance officer. A good working relationship between these two offices will help in the interpretation of the bylaws.
- NCAA bylaws are comprehensive and are often up to extensive interpretation. Auditors should reach out to ask others in ACUA or in Athletics compliance for assistance.
- Pull a larger-than-usual sample and include non-premier sports (as defined by the institution). Many times, football is well-controlled but soccer is left unmanaged and unmonitored.
- Talk with coaches and student-athletes. Coaches who attend routine rules education meetings know how the education program functions. The best way to determine if student-athletes are required to attend meetings but not log them is to ask them directly.
- Be alert for other, non-NCAA compliance risks while performing procedures. For instance, while reviewing student-athlete per diem disbursements, ensure team travel contracts comply with university guidelines.

## Resources

---

- ACUA's NCAA Compliance Audit Guides – available to members at ACUA.org
- [National Association for Athletics Compliance \(NAAC\) Reasonable Standards](#)
- [NCAA.org Compliance](#) website by division.