Watch Us Thrive

USA Triathlon Foundation NIL Collective Background

On June 30, 2021, one day before several state NIL laws were slated to go into effect and following the Supreme Court's ruling in <u>Alston vs. NCAA</u>, the NCAA's Board of Directors voted to approve an <u>interim policy</u> that permits all **NCAA student-athletes to profit from their name, image and likeness (NIL)**.

The policy confirms that....

- 1. Student-athletes may use professional service providers for NIL activities,
- 2. **Student-athletes should report NIL activities** consistent with state law or school and conference requirements, and
- 3. **Schools and conferences are free to adopt their own policies** to build upon the framework provided in the interim policy.

What can impact NIL?

State laws remain an important piece to the puzzle. Under the interim policy, student-athletes who attend school in a state with an active NIL law *must* comply with that law in addition to any institution and conference policies. Students who attend school in a state without active NIL legislation must only comply with any institution and conference policies.

Today, 32 states have legislation surrounding NIL activities for student-athletes.

Stats:

- More than 100 million dollars has been given to athletes across 50+ sports
- 450,000 athletes have received deals
- Average deal is \$546/athlete
- 322% increase in payments made over 2021
- 2.7x the number of deals between 2021 and 2022
- Biggest sports are football, basketball and volleyball

The U.S. Olympic and Paralympic Committee created its own program called AMP that supports Olympic and Paralympic athletes. This could expand to other athletes, including those from NCAA Triathlon.

One of the biggest earners for USAT is Kendall Gretsch – 12 donors to date

Overview of USAT's program

A sport-specific donor-driven collective that pools funds from supporters of triathlon and NCAA women's triathlon to provide financial support directly to NCAA women's triathlon student-athletes in the form of Name, Image and Likeness (NIL) payments. In return, NIL recipients will promote the NCAA women's triathlon movement and engage with multisport communities.

Objective

Support women's triathlon student-athletes and work with them to further the USA Triathlon Foundation's mission and charitable purpose.

NIL Recipients

NIL agreements with student-athletes must be evaluated on a case-by-case analysis and **may not** be based on the following:

- Enrollment decisions (e.g., signing a letter of intent or transferring)
- Athletic performance (e.g., points scored, minutes played, winning a contest)
- Achievement (e.g., starting position, award winner)
- Membership on a team

Selection Procedure

Eligible student-athletes shall be selected by USA Triathlon, the USA Triathlon Foundation and others who are tied to this project as Ambassadors. They may not be nominated by their coach or other athletics department staff member. Recipients will be picked based on the following and will be asked to submit an application outlining their involvement:

• Opportunity to promote the NCAA women's triathlon movement on their social media channels and through other digital channels

The USA Triathlon Age Group Committee shall recommend recipients of the USA Triathlon Foundation NIL Collective to USA Triathlon for selection. Recipients will be announced each August with the opportunity for additional recipients to be added throughout the year. The number of athletes to receive funding is predicated on the dollars raised for the program.

NIL Agreement with their Institution

All recipients must receive approval from their institution's athletics compliance
office and must sign an NIL agreement before engaging in any NIL activities on
behalf of the USA Triathlon Foundation.

Payment

- Funds will be distributed to student-athlete recipients directly from the USA Triathlon
 Foundation at the end of the fall semester. Student-athletes must submit proof of social
 media activity before funds will be distributed.
- 10% of all donated funds through the USA Triathlon Foundation will be allocated toward processing and administrative fees.

• To date, just over \$5000 has been donated; average payment is \$231/person; goal is \$10,000 in year one.

Timeline

- October 2022 announced the collective
- March 14, 2023 press release announcing Grace Norman as NIL Collective Ambassador/application open and close dates
- March 14, 2023 email to all USA Triathlon Foundation donors soliciting funds
- May 31, 2023 communication to coaches/admins with application opening
- June 19, 2023 communication to coaches/admins with reminder application closes next week (June 30)
- June 30, 2023 application closes
- August 15, 2023 announce 2023-24 inaugural class of USA Triathlon Foundation NIL recipients
- November 11, 2023 Recognize recipients at the NCAA Banquet

Other notes:

- Part of our sales deck/assets for our business development team is to find partners/brands interested in being a part of it
- Foundation team will steward donors to the collective throughout the year and work to secure year-over-year donations to the program
- Planning for a big presence for the collective during the NCAA season including at women's collegiate national championships
- Working to secure other past NCAA women's triathlon alums to serve as ambassadors and amplify our message if you have former student-athletes who you think would be interested and would add value, please let us know.
- NCAA funding will be a part of our foundation's 2028 capital campaign that will be announced later this year with NIL Collective funding a part of this.

FAQs

Are donations to the USA Triathlon Foundation NIL Collective tax-deductible?

Yes – the USA Triathlon Foundation NIL Collective operates as part of the USA Triathlon Foundation, which is a registered 501(c)(3) in the state of Colorado. Tax Identification Number: 46-5062719.

Does the USA Triathlon Foundation NIL Collective work with recruits or prospective studentathletes?

No. NIL collectives are considered representatives of the institution's athletics interests (boosters) and are subject to all NCAA recruiting rules. Therefore, recruiting conversations between the USA Triathlon Foundation NIL Collective and prospective student-athletes are not permissible. NIL collectives are also prohibited from communicating with the family members or other individuals who are affiliated with the prospective student-athlete for a recruiting purpose.

Additionally, coaches and institutional staff may not arrange any communication or meetings between NIL collectives and prospective student-athletes including promising NIL opportunities on behalf of a collective.

Can an NIL agreement between the USA Triathlon Foundation NIL Collective and a studentathlete be guaranteed or promised based on the student-athlete's initial or continued enrollment at a specific institution?

No. An NIL agreement between a prospective or current student-athlete and an NIL collective cannot be based on initial or continuing enrollment at a particular institution. Additionally, an NIL agreement cannot be contingent on a student-athlete entering the NCAA transfer portal.

Can an individual provide money to a student-athlete because of their status as a student-athlete?

No. -NCAA extra benefit and recruiting inducement rules still apply to NIL. Therefore, payment for all NIL activities must include an action on the part of the student-athlete (e.g. appearance, social media post, etc.). Otherwise the student-athlete could be found to have committed an NCAA violation which could jeopardize the student-athlete's intercollegiate eligibility.

Are there restrictions regarding the duration of a student-athlete's NIL-related contract?

Yes. An NIL-related contract cannot extend beyond the student-athlete's participation in their institution's intercollegiate athletics program.

What if a student-athlete competes for a school in a state with a NIL law?

Student-athletes should review the NIL rules in the state where their school is located and meet with their athletics compliance office to review all state, institutional, NCAA, and conference-specific NIL rules.

What if a student-athlete competes for a school in a state without a NIL law?

Student-athletes competing in states without a NIL law must still meet with their athletics compliance office to review all institutional, NCAA, and conference-specific NIL rules.

Are there restrictions regarding the use of institutional marks, logos or other institutional property in an NIL contract?

Depending on the state where the institution is located, a student-athlete may be prohibited from using institutional property (e.g. posting from practice on their campus) or using institutional marks or logos (e.g. wearing a t-shirt with their college name or athletics logo) as part of an NIL activity.

May a student-athlete receive NIL compensation for participating in official team activities?

Many institutional NIL policies prevent student-athletes from receiving NIL compensation while engaging in official team activities such as an athletics-organized fan event or during travel for an away-from-home competition.

Are international student-athletes eligible to receive USA Triathlon Foundation NIL Collective payments?

No. Student-athletes who are not US citizens cannot receive compensation for NIL activities since their visas prohibit employment while in the United States.