

MEMORANDUM

TO: Division I Institutions & Conferences
FROM: College Sports Commission
DATE: April 7, 2026
RE: Third-Party NIL Deals & Revenue Share

In conjunction with the basketball transfer portal, the College Sports Commission (“CSC”) is writing to provide reminders, updates, and other information related to third-party NIL deals and institutional revenue share.

I. Third-Party NIL Deals

A. Timing of Submission & Requirement of Submission

As a reminder, all third-party NIL agreements with a total value of \$600 or more must be reported to NIL Go within five business days of execution or agreement on payment terms, except that high-school athletes enrolling in college and incoming Division I transfer student-athletes have up to 14 days in some cases.¹ An agreement as to “payment terms” includes verbal or written agreements as to the amount the student-athlete will be paid for the sponsorship or endorsement activity. An agreement between a student-athlete and a third party to pay the student-athlete for their NIL is an NIL contract and must be reported, even if the third party plans to find other sponsors to pay for and activate the NIL. The label on the agreement (e.g., “agency agreement,” “services agreement”) or a fine-print disclaimer that the payment terms may be adjusted or a qualification that deals will be subject to review in NIL Go does not change the analysis; if an entity is agreeing to pay a student-athlete for their NIL, the agreement must be reported to NIL Go within the reporting deadline. As a further reminder, an institution may not guarantee a thirty-party NIL contract.²

B. Documentation & Deal Entry

When reporting a third-party NIL deal in NIL Go, a student-athlete must submit written documentation evidencing the terms of the deal as part of the student-athlete’s deal entry. Such documentation should clearly and accurately identify the Sponsor, Facilitator (if applicable), obligations to be performed by the student-athlete, time period for the deal, and compensation to be paid to the student-athlete for the deal. This written documentation should align with the Sponsor, Facilitator (if applicable), obligations, time period, and compensation information inputted by the student-athlete into NIL Go. Student-athletes now have the option to use AI Entry

¹ See Bylaw 22.2.2.

² See Bylaw 22.1.1.1.

Assist when entering a deal into NIL Go, which scans a deal document and auto-fills key information for the student-athlete to review and confirm prior to submission.

While institutions or AI may assist student-athletes with deal entry, student-athletes are responsible for affirming the accuracy and completeness of their deal submissions and knowing the content of those deals, as they are ultimately responsible for the deals.³

C. “Sponsor” & “Facilitator”

The terms “Sponsor” and “Facilitator” have specific meanings in NIL Go, which are explained during deal entry. A Sponsor is the entity that will ultimately benefit from the use of the student-athlete’s NIL and is the originating source of the funds for the third-party NIL deal. A Facilitator is an entity – other than the Sponsor – that *actually makes payment(s)* to the student-athlete in connection with the deal. A Sponsor may utilize a Facilitator – often the institution’s multimedia rights partner (“MMR”) – to coordinate and make payment for a deal with a student-athlete, but the student-athlete’s obligations in that case would be for the benefit of the Sponsor, rather than any business of the Facilitator. All deals submitted to NIL Go have Sponsors; not all deals have Facilitators.

An entity serving as a matchmaker or coordinator between a Sponsor and a student-athlete, but not involved in payment execution, is not a “Facilitator” of that deal and does not need to be identified in the NIL Go deal submission process. For the avoidance of doubt, third-party NIL deals in which payments are made directly from the Sponsor to the student-athlete do not have a “Facilitator,” as that term is defined in NIL Go and used by the CSC. In such instances, no Facilitator should be identified as part of the deal submission process. On the other hand, if the entity paying a student-athlete is different than the entity that will benefit from the use of the NIL (the Sponsor), then both the entity paying (Facilitator) and the Sponsor should be identified during deal entry.

As a reminder, in deals involving a Facilitator, the originating source of the compensation paid to the student-athlete must be the Sponsor.⁴ A Facilitator may not pay a student-athlete using funds that did not originate from the Sponsor.

D. Associated Entities

An Associated Entity or Individual “shall not enter into an agreement with *or provide payment to a prospective student-athlete or student athlete* unless the agreement or payment terms . . . with compensation at rates and terms commensurate with compensation paid to similarly situated individuals with comparable name, image and likeness value who are not prospective student-athletes or student-athletes of the institution” (emphasis added).⁵ Since a deal Facilitator is, by

³ See Bylaw 22.2.2.3.

⁴ See Bylaw 22.3.2.

⁵ Bylaw 22.1.3.

definition, providing payment to a student-athlete, deals in which the Facilitator is an Associated Entity are subject to review for range of compensation. This fact pattern occurs most commonly in deals in which the institution's MMR partner is an Associated Entity and acts as a Facilitator.

Pursuant to the rules, "Associated Entities" include entities that exist, in significant part, to promote or support a particular Member Institution's athletic department and those entities that create or identify NIL opportunities solely for a particular Member Institution's athletes.⁶ In addition, Associated Entities include any entity that (1) has been directed or requested by an institution's athletics department staff to assist in the recruiting or retention of prospective or current student athletes, or (2) otherwise has assisted in the recruitment or retention of prospective or current student athletes.⁷ Third-party NIL payments are a significant factor in recruitment and retention of many student-athletes. As such, an entity that has been directed or requested by an institution's athletics department to make NIL payments to student-athletes qualifies as an Associated Entity. This may include sponsors or partners of an institution that have an obligation, or otherwise have been directed or requested by the institution, to spend prescribed amounts of money on student-athlete NIL. The CSC regularly seeks information from institutions and purportedly Not Associated sponsors to determine whether the sponsor is Associated because it has an obligation or has been so directed by the institution to provide NIL to student-athletes. These inquiries are becoming more frequent as sponsorship revenue that traditionally went to institutions is sometimes being redirected by those institutions to third-party NIL deals for purposes of recruiting and retaining student-athletes.

E. Range of Compensation

Last month, the Board of Managers of the CSC approved a new enforcement policy whereby the CSC will not subject deals valued between \$600-\$2,500 to range-of-compensation review unless and until a student-athlete has reached a total of \$15,000 in Associated deals in an academic year.⁸ This policy will allow the CSC to focus its resources in NIL Go on higher-dollar deals. The CSC will evaluate the effect of the new policy in the coming months to determine whether further adjustments are needed.

With the support of the Board, the CSC is also now providing more transparency regarding the range-of-compensation when deals are "not cleared" because they exceed that range.

F. Warehousing NIL Rights

As a reminder, an NIL agreement or payment with an Associated Entity or Individual must include direct activation of the student-athlete's NIL rights. In other words, the acquisition of such rights

⁶ See Bylaw 22.02.1(a).

⁷ See Bylaw 22.02.1(b).

⁸ These deals still must be "for a valid business purpose related to the promotion or endorsement of goods or services provided to the general public for profit." See Bylaw 22.1.3.

without reasonable specificity of the NIL activation (e.g., description of the specific group licensing categories, the student-athlete's obligations related to the activation, timing and ultimate use of the student-athlete's NIL) may not satisfy the requirements for payments by Associated Entities or Individuals.⁹ Contracts in which MMRs or other partners pay student-athletes for their NIL with no information about who will ultimately use that NIL will likely run afoul of this rule.

G. Obligations

The CSC is aware of previously cleared deals in which it appears that student-athletes never performed the obligations required under those deals. The CSC will be reaching out to institutions and student-athletes about these deals in the coming weeks.

II. **Institutional Revenue Share**

A. Timing of Submission & Requirement of Submission

All payments and benefits provided to a student-athlete by an institution or on an institution's behalf, including revenue share payments, must be executed via written agreement signed by the institution and the student-athlete and reported by the institution in CAPS within five business days of final signature.¹⁰

B. Agent Fees & Contract Release Obligations

The CSC has received reports that institutions are directing third parties to make payments on behalf of student-athletes to cover fees owed to agents and fees owed to prior institutions (sometimes referred to as "buy-outs") in order to circumvent the benefits cap. This conduct is not permitted and, if discovered, may result in discipline for both the institution and the student-athlete. The CSC will soon require that institutions provide additional information regarding payment of agent fees when submitting institutional revenue share agreements in CAPS.

⁹ See Bylaw 22.1.3.

¹⁰ See Bylaws 16.13.2 and 22.2.1.