

Type: Official Interpretation

Title: Use of an Offset in an Institutional Revenue Share Agreement

Division: I

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Text:

Editor's Note: The following interpretation was issued by the College Sports Commission under its authority to interpret and enforce all NCAA bylaws adopted based on the House settlement pursuant to Bylaw 23.02.1.

Effective December 1, 2025, for any institutional agreement entered into on or after December 1, 2025.

An institution may include a provision in an institutional revenue share agreement with a student-athlete that permits the institution to renegotiate or reduce ("offset") the institutional revenue share agreement based on delivery of a third-party name, image and likeness contract or payment. Any such provision or agreement may not, however, be used to reduce the institution's original obligation toward the institution's benefits cap.

Example: Institution's revenue share agreement includes a provision specifying that both parties agree to reduce the institution's \$100,000 licensing agreement by \$50,000 if the institution secures \$50,000 in third-party NIL for the student-athlete.

Analysis: Such a provision may be used to replace or offset the use of institutional funds by \$50,000, but the original \$100,000 guaranteed amount counts toward the institution's benefits cap and may not be reduced or canceled regardless of the agreement between the institution and the student-athlete.

[References: NCAA Bylaws 16.13.1 (Benefits Cap Compliance) and 22.1.1.1 (No Guarantee of Third-Party NIL)]
