



Simplifying NIL Compliance: How Third-Party Support Made a Difference

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As compliance administrators, we have plenty to track and oversee. The granting of student-athletes to be compensated off their Name, Image and Likeness (NIL) in 2021 only added additional rules and regulations for us to manage. The introduction of NIL opportunities has changed the compliance landscape in collegiate athletics, even at the NAIA level in some cases. While NIL has created incredible opportunities for student-athletes, it has also added an additional layer to the demands of compliance offices and administrators at our level. As we know, a fair number of our member institutions do not have a full-time staff member designated to compliance.

NIL regulations continue to evolve at both the national and state levels. For NAIA institutions, this means balancing our state laws, institutional policies, and NAIA legislation with a small compliance staff (or compliance staff at all) or in-house legal counsel. When NIL compensation first became permissible, a decent amount of my time was spent answering repetitive questions while simultaneously trying to understand legislation and responsibilities for coaches, student-athletes, school partners, etc.

I have to credit our Athletic Director, Chris Kraftick for being proactive, rather than reactive early in the NIL stages. With how quickly NIL was evolving and needing legislation guidance, it was clear that we needed to partner with a third party to help us navigate this new NIL space. We decided to partner with Opendorse in February 2022, and the guidance and assistance they have provided us since has been exceptional. Working with a third-party NIL company like Opendorse has primarily helped me in four areas:

1. Create our on-campus policies.

By providing education on both federal and state and legislation, we were able to mold and create our own campus NIL policies. Working with a third-party company allowed us to set rules and guidelines that paralleled some of our other on-campus policies and fit our university while also complying with state legislation.

2. Educate our student-athletes and coaches.

With NIL legislation varying from state to state, each state is different in what it requires and considers permissible. In our particular state, legislation requires that NIL education be provided to collegiate student-athletes every two years. Our third-party NIL partner has provided the education sessions by coming to our campus and visiting with our student-athletes in person, ensuring the content and information is accurate, up to date, and applicable to student-athletes.

3. Centralized disclosure location.

Any time a student-athlete is compensated through an NIL deal, they are required to disclose the details of that particular deal. Disclosing NIL engagement is critical because it allows the compliance staff and third party to see what NIL deals are being done and ensure that they are appropriate. Disclosing NIL engagement details the basics of the NIL deal: the company compensating the student-athlete, the amount or value the student-athlete is being compensated, the type of compensation they are receiving (cash, in-kind, services, etc.), and the date of the activity and compensation. A third-party company typically will have a centralized location for student-athletes to disclose any NIL engagements they are involved in. Once the NIL deal has been disclosed, I am then able to approve or deny the deal in the third-party platform based on the details of the NIL engagement.

4. Consistent communication and guidance.

As the compliance administrator at my institution, working with a third-party NIL company has been the most helpful in having a resource to lean on for guidance and constant communication. Having a NIL-based staff and company representative to rely on and ask questions gives me confidence knowing we have a great resource partner and that we are in compliance with state and federal NIL regulations.

If your institution has student-athletes who have been active in the NIL landscape, I encourage you to inquire about partnering with a third-party NIL company if your campus has not already. The guidance and resources they provide are invaluable to your position as a compliance administrator, and the partnership and the counsel they can provide will relieve some of your NIL oversight duties.

