Compliance Area: OUTSIDE AWARDS

A student-athlete may receive financial aid from outside sources. Financial aid awarded through an established and continuing outside program in which athletics participation is not the major criterion does not count against an institution’s sport-by-sport financial aid limitation but is countable towards the student-athlete’s individual financial aid limit. Financial aid awarded through an established and continuing outside program for the recognition of outstanding high school graduates, in which athletics participation is a major criterion is countable against both the institution’s sport-by-sport limitation as well as the student-athlete’s financial aid limit, provided the student-athlete was recruited.

It is not permissible for a student-athlete to receive financial aid, directly or indirectly, from a source outside the institution (e.g., foreign government, a sports association, a high school booster club) for expenses related to attendance at an institution, if the award is based on any degree upon the recipient’s athletics ability, except as permitted above. Receipt of financial aid from such a source renders the student-athlete ineligible for all intercollegiate athletics participation.

Financial Aid from Outside Sources

Athletics Participation Not Major Criterion
A student-athlete may receive financial aid through an established and continuing program to aid students, provided the following conditions are met:

(a) The award shall be made on the basis of the recipient's past performance and overall record, as measured by established criteria of which athletics participation is not the major criterion;

(b) Disbursement of the aid may be through the awarding agency for the recipient’s educational expenses, provided the aid is awarded prior to the recipient's initial enrollment at a member institution, and the awarding agency provides written notification of the award to the institution. Subsequent to enrollment at a member institution, disbursement of the aid shall be through the institution for the recipient’s educational expenses while attending the institution. A violation of this bylaw shall be considered an institutional violation per Constitution 2.8.1; however, the violation shall not affect the student-athlete’s eligibility, provided the student-athlete deposits the aid with the institution and the aid does not result in an overaward of financial aid to the student-athlete; and

(c) The recipient’s choice of institutions shall not be restricted to a single designated institution or conference by the donor of the aid.

Athletics Participation as a Major Criterion
A student-athlete may receive financial aid through an established and continuing program for the recognition of outstanding high-school graduates, provided the following conditions are met:

(a) The award shall be made on the basis of the recipient’s past performance and overall record, as measured by established criteria of which athletics participation may be a major criterion;

(b) Disbursement of the aid may be through the awarding agency for the recipient's educational expenses, provided the aid is awarded prior to the recipient's initial enrollment at a member institution and the awarding agency provides written
notification of the award to the institution. Subsequent to enrollment at a member institution, disbursement of the aid shall be through the institution for the recipient’s educational expenses while attending the institution. A violation of this bylaw shall be considered an institutional violation per Constitution 2.8.1; however, the violation shall not affect the student-athlete’s eligibility, provided the student-athlete deposits the aid with the institution and the aid does not result in an overaward of financial aid to the student-athlete;

(c) The recipient’s choice of institutions shall not be restricted by the donor of the aid;

(d) The awarding individual or organization and the donor of the aid shall not be representatives of the athletics interests or an athletics booster group of a member institution;

(e) The value of the award alone or in combination with other aid per Bylaw 15.1.2 shall not exceed the value of a full grant-in-aid;

(f) The award may be provided to the recipient on only one occasion;

(g) If the recipient is recruited, the recipient is considered a counter per Bylaw 15.5.1, and the amount is applied to the maximum awards limitations of Bylaw 15.5 for the sport in question; and

(h) The award is not received from an outside sports team or organization that conducts a competitive sports program by a member of that team.

Procedure:

Student-athletes who receive an outside award must notify MSU of the award. The financial aid assistant for the Office of Compliance Services will contact the awarding agency to obtain written verification of the award and the criteria used to select the recipients. The information must be provided to MSU on official letterhead signed by a representative of the awarding agency.

Forms Used for Documentation:

<table>
<thead>
<tr>
<th>Name of Form/Report</th>
<th>Purpose</th>
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<tbody>
<tr>
<td>Outside Awards and Scholarships Form</td>
<td>Identifies outside awards and scholarships received by a student-athlete</td>
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