



***Penn State Athletics
Name, Image Likeness (NIL)
Policies & Procedures***

Philosophy Statement

As of July 1, 2021 Penn State student-athletes are permitted to take advantage of opportunities to capitalize on their Name, Image and Likeness (NIL). Penn State fully supports this moment and embraces the opportunity for our student-athletes to engage in these activities and the education that will accompany this experience as students discover their entrepreneurial spirit and direction. Although Pennsylvania State law limits the involvement Penn State can have in a student-athlete's NIL activities, our STATEment program is designed to provide resources and direction for students who desire to fully explore this new opportunity.

The following policy is designed to provide our student-athletes with the necessary framework for successfully navigating their NIL opportunities while staying within the established rules of the NCAA and the State of Pennsylvania. As exciting as the opportunity to capitalize on ones NIL is, it should not come at the price of eligibility to compete in the sport you love. Members of the Penn State Intercollegiate Athletic Department stand prepared to help you navigate the regulatory environment, enabling you to pursue an entrepreneurial adventure as well as the sport you love. At Penn State, you can have it all!

Key Awareness Items for Student-Athletes Regarding NIL Activities at Penn State

- Student Athletes are required to disclose all NIL activities in advance of any contract or engagement. According to PA law this disclosure must occur a minimum of 7 days prior to any activation (more specific disclosure instructions below).
- Activities not involving an executed contract (autograph signing, self-run camp) may be disclosed after the fact. This disclosure must take place within 14 days of the activity.
- If a student-athlete chooses to utilize any Penn State marks (Logo, Penn State name), the use must be properly licensed by the University. Athletic Department contact information is listed under "Resources" to seek the appropriate approval.
- Student-athletes are responsible for properly filing Federal, State and Local income tax documents in each calendar year that they earn NIL income.
- Student-athletes may secure representation to assist them in reviewing and securing NIL activity. This representation may not engage in any activity related to professional sports representation, or contract negotiation.
- Student athletes may utilize professional service providers (marketing expert, accountant, attorney, etc.) to assist with NIL activities, but must pay the going rate for the services of the provider.
- NCAA extra benefit legislation continues to apply and does not permit compensation to be received by a student athlete unless it in exchange for the right to use his or her NIL in commercial/charitable activity or in exchange for a product or service provided by the student athlete.



Scope and Applicability Policy

This policy applies to all Penn State student-athletes who have eligibility remaining in their sport and covers the entire range of NIL activities, including, but not limited to advertisements, affiliate sales, appearances, endorsements, crowdfunding, autograph sessions, sport camps, individual businesses and entrepreneurial activity.

This policy becomes applicable to prospective student athletes as of the date they sign a National Letter of Intent to attend Penn State.

Pennsylvania State Law (Amendment to the Public School Code of 1949)

“A college student athlete may earn compensation for the use of the college student athlete’s name, image or likeness under this article. The compensation shall be commensurate with the market value of the student athlete’s name, image or likeness. The compensation may not be provided in exchange, in whole or part, for a current or prospective student athlete to attend, participate or perform at a particular institution of higher education.”

“An institution of higher education may not: Arrange third party compensation for a college student athlete relating to the use of the college student athlete’s name, image and likeness rights or use a similar type of arrangement as an inducement to recruit a prospective college student athlete.”

“Prohibition – A college student athlete may not earn compensation as a result of the use of the college student athlete’s name, image or likeness in connection with a person, company or organization related to or associated with the development, production, distribution, wholesaling or retailing of any of the following:

- Adult entertainment products and services
- Alcohol products
- Casinos and gambling, including sports betting, the lottery and betting in connection with video games, online games and mobile devices
- Tobacco and electronic smoking products and devices
- Prescription pharmaceuticals
- A controlled dangerous substance
- Weapons, including firearms and ammunition”

“Prohibition – An institution of higher education may prohibit a college student athlete’s involvement in name, image and likeness activities that conflict with existing institutional sponsor arrangement at the time the college student athlete discloses a contract to the institution of higher education as required under subsection (f). An institution of higher education, at the institution of higher education’s discretion, may prohibit a college student athlete’s involvement in name, image and likeness activities based on other considerations, such as conflict with institutional values, as defined by the institution of higher education. An institution of higher education shall have policies that specify the name, image and likeness activities in which college student athletes may or may not engage.”



Pennsylvania State Law (continued)

“A college student athlete who proposes to enter into a contract providing compensation to the college student athlete for use of the college student athlete’s name, image or likeness rights shall disclose the contract at least seven days prior to execution of the contract to an official of the institution of higher education, who is designated by the institution of higher education.”

Penn State NIL Category Guidelines

Pennsylvania State law permits collegiate institutions to limit student-athlete NIL activity that conflicts with University values and / or existing sponsorships. In accordance with these rules, the following provisions shall apply to student-athlete NIL activity:

Prohibited NIL Activity for Student-Athletes

- Tobacco products, alcohol and drugs
- Gambling of any sort (including fantasy leagues or fantasy sports websites, but excluding state authorized lotteries)
- Educational Entities in direct competition with Penn State
- Pornography
- Political or Political Issue advertising
- Scholarship, Grants, or Financial Aid
- Weight Loss products or plans
- Any advertising that includes language, pictures or other graphic representations that are unsuitable for exposure to person of young age and immature judgement, or that is derogatory or defamatory of any person or group because of race, color, national origin, ethnic background, age disability, ancestry, marital or parental status, military discharge status, source of income, religion, gender, or sexual preference
- Other products or services or other advertising that is inconsistent with Penn State’s values

NIL Activity in Exclusive Categories

Penn State maintains exclusive sponsorship arrangements in the following categories, and thus student-athletes must have approval to partner with the current exclusive sponsor:

- Athletic Footwear and Apparel – Nike
- Athletic Equipment – varies by sport
- Collegiate Bookstore – Penn State Bookstore/Barnes and Noble
- Non-Alcoholic Beverages – Pepsi/Aquafina/Gatorade
- Banking Services – PSECU
- Lottery (PA Lottery)



Permissible NIL Activity

- Student-athlete NIL activity not specifically addressed in this policy shall be permitted. Student-athletes may engage in social media activities, endorsements, crowdfunding activities (under certain circumstances), individually branded camps, autographs for compensation, sponsor activities, and business development.

Penn State Process for Prior Approval and Review

Penn State Intercollegiate Athletics has partnered with Spry to provide student-athletes with the convenient opportunity to properly meet the State of Pennsylvania disclosure and approval requirements through their proprietary website and/or application which can be accessed via an Android or iOS phone or internet.

All required disclosures must be submitted through Spry and student-athletes must receive proper approval prior to beginning any NIL activity. Pennsylvania State law requires that this disclosure occur at minimum seven (7) days prior to signing a contract for NIL activity. Penn State NCAA Compliance staff will provide a timely decision on each submitted request. Activities not involving an executed contract (autograph signing, self-run camp) may be disclosed after the fact. This disclosure must take place within fourteen (14) days of the activity.

Until the Spry application is available and fully functional, student-athletes shall utilize the disclosure and approval form located on ARMS under the forms section. This form will be submitted directly to the Penn State Athletics Compliance Office.

Policies Related to Penn State Media Appearances

Student-athletes representing Penn State continue to have a responsibility to represent their teams on a regular basis with media as part of their team affiliation. Student-athletes will be expected to engage with both Penn State, local and national media as requested by the ICA Strategic Communications staff. Additional media sources, of the student-athletes choosing, may be accessed after institutional obligations have been fulfilled.

Resources and Contacts for Interpretive Assistance with NCAA Rules

Penn State Compliance Office – compliance@athletics.psu.edu

Resources and Contacts Interpretive Assistance with PSU Policy

Penn State NCAA Compliance Office - compliance@athletics.psu.edu

Penn State Athletics Integrity Officer – Robert Boland - rab473@psu.edu

Penn State Intercollegiate Athletics Student Welfare and Development Office - swd@athletics.psu.edu

Penn State Trademark and Licensing Approval Process – Tom McGrath - ctm14@psu.edu



Penn State Student-Athlete Obligations related to NIL

- Student-athletes are responsible for knowing the NCAA, State of Pennsylvania and Penn State regulations and policies regarding engagement in NIL.
- Student-athletes are responsible for providing required disclosure and receiving prior approval before engaging in NIL activity.
- Student-athletes are responsible for all legal obligations entered into with contracts for endorsement, sponsorship or representation.
- Student-athletes are responsible for all Federal, State and Local requirements regarding income tax filing (including withholding).
- Please be reminded all Penn State student code of conduct, student-athlete code of conduct and team policies are expected to be followed.

Policy & Procedure Updates

Given the fluid nature of the NIL environment, we anticipate that this document will be updated and revised frequently. The most recent version of Penn State Athletics' NIL Policy and Procedure document will live on the Penn State Spry App and website and student-athletes will be notified of substantive changes.