

It's the Season for Summer Internships

A college student contacts you and asks to volunteer as a student intern in your marketing department during his summer break. He could help with some writing and administrative tasks and his price is definitely right.

A vocational school program places mechanics in training with businesses to get some “real world training.” He would like to start as an intern to gain experience with your company.

These both sound like great opportunities to benefit both the employer and the intern, but there are many items to consider for a successful internship program. This whitepaper will discuss success factors and legal items to take into account if you are planning to implement a summer internship program.

What Makes an Internship Program Successful?

With the economy in recovery, employers are recruiting again with internships being one of the recruiting tools coming out of hibernation. In most cases, employers are looking to turn internships into more than simply summer jobs and also use the programs to build lasting employment relationships.

Some companies have built a great reputation of having successful internship programs, most likely because they have built their program after contemplating the following items:

- What is the purpose of the internship program?
 - Perhaps your organization wants some “fresh ideas”, or maybe you want to create an increased awareness of your company at the university by recruiting college students. Other companies may be recruiting internships to build a “bench” for future employment opportunities. Whatever the reason, make sure it is clearly defined so you can build the program around the purpose.
- What will be the duration of the internship program?
 - Some companies may be interested in summer internships while others may desire internships that continue throughout the year. The answer to this question may depend on workload, cycles that occur during different times of the years, or special projects that are underway.
- How will the selection process work?
 - Many companies make their internship programs as competitive as gaining full-time employment within the company. In some cases, applicants will go through rigorous interview processes including submitting an essay along with college transcripts and a resume. It is important to determine the factors you will use to screen applicants, and also who will be involved in that process.
- Where does the internship fit into the organization?
 - It is critical to define how the internship fits into the company goals, and that a job description is created for this position. The job description should be shared with the intern so they have a clear idea and understanding of their role and how it fits into the organization.
- Who will “watch over” the intern?
 - A key to many successful programs is to assign a mentor to each intern who can answer questions and offer guidance. Additionally, this mentor can provide supervision and direction throughout the internship, along with regular progress reports.
- How will we assess our internship program?
 - An evaluation following the internship should be completed by the intern, the mentor, and faculty advisers (if applicable). Ask interns to evaluate their experience and provide a written assessment, along with suggestions for improvements, to the employer. The

mentor and others working with the intern should provide feedback on their experience as well.

What are the Legal Considerations?

To avoid the risk of legal problems, there are several safeguards that need to be followed by employers sponsoring internships. The problems surrounding the “hiring” of students or interns are increasing. State and federal regulators are increasingly worried about employers illegally using free labor. It’s believed that there is widespread, illegal use of students and the government is cracking down.

First, will this person be classified as an “employee”, a “student”, or an “intern”? As you might expect, the line between an employee, student, or intern is not always clear. Before acting, review federal and your state law. Whether students are volunteers or actual employees (who must be paid) under the Fair Labor Standards Act (FLSA) depends upon the circumstances. The FLSA acknowledges that there are some people who perform functions for an employer who are not employees and so need not be paid.

The federal Department of Labor (DOL) considers students **not** to be employees under the FLSA if **all** of the following are met:

- 1) The training, although it might involve actual operations, is similar to training that might be found at a school.
- 2) The training is for the benefit of the student.
- 3) The student does not displace regular employees and works under close supervision of a regular employee.
- 4) The employer receives no immediate advantage from the student and company operations may even be hampered.
- 5) The student isn’t necessarily entitled to a job after the volunteer / training time.
- 6) The employer and the student understand that he isn’t entitled to be paid during the training time.

While the courts certainly look to the DOL’s six factor test, they haven’t always found that all 6 must be met. Instead they often focus on #2. Who primarily benefits from the activities of the student/intern? The issue is whether the student is exposed to his career field and has a chance for some practical experience. It’s about opportunity for the student, not production for the organization. It can’t be about free labor for an employer. For more information, go to <http://www.dol.gov/whd/regs/compliance/whdfs71.htm>.

Obviously the shorter the internship, the less likely it would be viewed as an employment relationship. Additionally, an individual could start out as an unpaid intern and over time, become an employee as he becomes more proficient and actually performs work duties. As with many things in HR, documentation can be helpful to clarify the student’s role, outline the tasks, and confirm that both parties understand that the internship is unpaid.

If a student doesn’t qualify as an unpaid intern is it possible that he could be considered an unpaid volunteer? That’s not likely. Some states impose even stricter hurdles before a student can be unpaid. The requirements are more stringent than many employers realize. Therefore, when in doubt, pay the student at least minimum wage. Remember also that if the student is a paid employee he must also be paid overtime, as applicable. There aren’t many instances where a student could work for nothing at a for profit organization. And...don’t forget to keep time records.

Other items you will want to review are your company’s liability insurance, health insurance, and workers’ compensation policies to determine whether they cover student interns. Regardless if the individual is classified as an employee, student, or intern, they should receive appropriate safety training as required by the Occupational Safety and Health Act (OSHA).

Other information that is normally gathered for new employees, such as emergency contact information, should be completed by the intern. Check with your company’s HR and legal departments about the use of

a formal, written internship agreement or the need for release forms. Additionally, if any documents are supplied by the student's college or university, they should be reviewed by the legal department. HRN's HR Suite has sample forms for internship applications, references, job description and other items. Contact your HRN Client Services Specialist for more information.

In summary, a summer internship program can be a successful recruiting tool and benefit both the employer and the intern. With an increasing number of audits being conducted by the Wage and Hour Department, please take into consideration the items listed above to ensure a successful, compliant program.

Interested in reprinting the above information?

As a service to the human resource community, we are pleased to allow our white papers to be reprinted. However, when reprinting this article, you must maintain the accuracy and intent of the content, include final credit paragraph which includes our name, HRN Performance Solutions, and a link to our site at www.hrnonline.com.

Need text version? Let us know.

performance_{pro}

Now better than ever. Performance Pro has a completely updated look with new features, tools and reports.

New Customizable dashboard with alerts
New Dual appraiser evaluation

New Employee development goal library
New Redesigned multi-appraiser module

For more information or to request a no-obligation price quote
Contact HRN: 1-800-940-7522. | www.hrnonline.com/performancepro
Or signup for a Live Webinar at: www.hrnonline.com/ppwebinars