

# THE UNIVERSITY OF TEXAS AT DALLAS

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TO: Site Supervisors of Unpaid Interns in Business

FROM: Dr. Susan P. Chizeck, Director of Internships

When a site uses unpaid interns, certain guidelines must be followed to conform to the Fair Labor Standards Act. This act applies to all employers, government, non-profit, and for-profit. Typical permitted volunteer sites include government agencies, hospitals, charitable non-profit agencies and the like. Persons already employed by such an organization cannot "volunteer" the same type of services as their job during the weeks they are employed. Commercial businesses may not ever legally utilize unpaid volunteers. Unpaid Trainee status is permitted but there are very few circumstances to which this applies (see below). The guidelines for legal requirements for an internship are below. The bottom line on this is that no one from the Dept. of Labor is likely to investigate what an intern is doing unless a case is brought involving claims for wages, Worker's Compensation or sexual harassment claims. The law is generally very liberally interpreted, but this information is provided for your understanding. Please consult your legal adviser if you have more detailed questions on these issues.

1. The work is supposed to benefit the intern more than the organization. The employer may not benefit from the activities of an unpaid Trainee. The law wishes to ensure that the internship is a learning experience for the student and not merely a way to get unpaid labor. According to the Fair Labor Standards Act Fact Sheet of October 1997, students who do unpaid work that "benefits" a profit-making company may claim back wages and civil penalties. They are entitled to minimum wage of \$6.55 per hour or the state minimum wage, whichever is higher. For example, a trainee may learn to operate a cash register or enter data, but may not deal with actual customers or data of the business. They may learn procedures such as writing a press release, but may not write any that are utilized in the business. The Dept. of Labor considers work performed as part of an evaluation period or training program to be compensable.
2. Work performed by an intern must be directly related to his/her coursework. At UTD, the course is evaluated as part of the student's degree plan. Work not related to the student's major is permitted as elective credits and constitutes a valid educational program.
3. The intern receives course credits or wishes to complete the practicum work to graduate. At UTD, the student must register for 1 to 6 credit hours if the work is not part of another course. No organization, other than the court system, can require that a student do volunteer work.
4. The intern prepares and submits reports to the faculty supervisor. At UTD, the student must submit a journal of their work time, a summary of the activities, and a research paper tying theory to practice.
5. The organization has written documentation that the internship is educationally relevant. The student will give you a copy of the Learning Agreement that all participants sign.
6. Learning objectives are clearly defined. The student must write their objectives on the Learning Agreement.
7. An unpaid intern may not perform work also done by employees (and thus serves as an unpaid employee).
8. The organization teaches the intern a skill, a process, how to use equipment, or about the business.
9. The intern is supervised by one of the organization's staff members. We must have a designated site supervisor who will complete student evaluations.
10. The intern is not guaranteed a job upon completion of the internship. This ensures an organization can not require a person to work for free in order to get a job in the future.
11. The intern cannot displace existing workers or directly take on the duties of a fired or laid-off employee. This ensures a regular worker will not be removed and the duties assigned to an unpaid intern.