

# **School of Business**

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# **PROCESSES & GUIDES**

# Why consider a student intern?

- 1. You gain access to highly motivated and skilled workers.
- 2. Recruitment for long-term or short-term staff.
- 3. Benefits of association with the learning institution.
- 4. Inexpensive source of competent assistance.

# Things to think about prior to hiring a student intern:

- 1. What is the need within the organization?
- 2. Who else needs to agree with this concept?
- 3. What duties or projects will the students have? Are they appropriate for a college student? Do you think they are worthy of college credit?
- 4. What level of experience or what type of education best fits the position to be filled?
- 5. What training is needed? Who will train and act as the site supervisor for the student? Do they have the skills, interest, and time?
- 6. What is the time commitment for this position?
  - a. 300-level internships require a minimum of 140 hours
  - b. Sport Management majors taking BUS 397 need a min. of 400 hours
  - c. 200-level internships require a minimum of 47 hours per credit hour, up to a max of 3 credits
- 7. Where will the students work?
- 8. What is the required or desired major? Required or desired GPA?
- 9. What will the student learn by completing this internship?

# Paths to Internships – What you need to know

Thank you for your interest in the University of Southern Maine School of Business Internship Program. This guidebook has been designed to assist you with our program. The objective is to cover many of the major points needed to implement a program of your own.

As an employer it is imperative that you gain internal support for establishing an internship program. Sometimes this can be as simple as discussing the concept with your staff. In larger organizations internal support can be best when you start at the top. When company employees know that there is support from the top down for an internship program it helps them to feel more comfortable including students as part of the team. Also, it shows current employees that there is full-fledged support of the student intern, their role, and the value of this experience.

#### **Determine Your Need**

A student intern is **not** a volunteer, nor a resident expert, nor a go-fer. Your need will give the college student the chance to use their education in a real world setting while making a solid positive contribution to your organization. Although student interns may bring special skills, new knowledge, and fresh ideas to an organization, it is not appropriate for an organization to expect the student to be the resident expert. Remember: Students accepting a 300-level credit internship assignment **must complete a minimum of 140 hours (or 400 for Sport Mgt. majors)** and a 200-level internship **must complete 47 hours per credit in their internship experience**. Internships are flexible and can start and stop any time. It's great when assignments directly correspond to our semesters; however, we realize business needs aren't necessarily based on our schedule. That being said, most students seek internships based on the semester schedule.

# Contact the Internship Coordinator at the School of Business - University of Southern Maine Should you find that a student intern is just what you need, or if you need a few questions answered, please contact the Internship Coordinator directly. The office can be reached directly at (207) 780-4023 during regular office hours (Monday-Friday, 8am-4:30pm). Their email is benjamin.cates@maine.edu.

# Write a Job Description

One of the most important things you'll need to do is to write an internship job description. This description will be used to advertise your available internship. Make sure it describes the roles and responsibilities of the intern, any special events that the intern will attend (training, workshops, job shadowing, meetings etc.), and the learning that will take place as part of this internship experience. If there are special qualities/skills, education level, GPA, or experience that the intern should have, please describe them here. Please note you can require or desire a certain major or GPA. Required means the students must meet this requirement to apply and desired means students that do not meet this requirement would be able to apply.

## Interview a Student

We prefer that students who have been attracted by your internship description submit a resume (and any other documents, such as cover letter or unofficial transcript) either directly to your company or through our online Job & Internship Board. Once you receive their information, we ask that you contact the student directly within ten days to let them know you are reviewing their application materials. We ask that you remember that you are hiring a student intern, not an employee, and that you consider a student's potential rather than their current level of familiarity with your product or service.

# **Contact with Faculty Sponsor**

Once you have interviewed and selected your student intern, the academic process begins. A member of our faculty works with the student by reviewing and approving their internship, their Learning Contract, and is in contact with the student throughout the course of the internship experience. This faculty sponsor will also be in contact with you as the employer during the program. Ordinarily, an onsite visitation or Zoom meeting will be done at either the midpoint of the internship or at the internship's conclusion. Circumstances may necessitate other means of communication.

# Agree to a Learning Contract with Student Intern

The student intern is responsible for developing the Learning Contract. The Learning Contract sets the student's goals for the internship experience. It outlines what the student intends to accomplish/learn during their internship and how that learning will be evaluated. A good plan will help the student to plan ahead and maximize the benefits of the internship experience.

## **Educational Affiliation Agreement**

An Educational Affiliation Agreement form must be signed by the employer if there is not one on file with the University. The form can be found at the following link, under the heading "Internship & Career Services Forms for Employers": <a href="maintended-school-business/school-of-business-internship-program-2/">usm.maine.edu/school-business/school-of-business-internship-program-2/</a>. For questions about this form for internships within the School of Business, please contact the Internship Coordinator at (207) 780-4023 or <a href="maintended-business@maine.edu">benjamin.cates@maine.edu</a>.

## Training/Supervising and Mentoring

Training is a priority for everyone. One of the most overlooked aspects of training is an organizational introduction. Introducing the student intern to key personnel and the people they will be working with is extremely important. Also, showing the intern the location of the photocopier, restrooms, coffee machines and fax machine is important as well. No-one wants to be asking where the bathrooms are at the last minute!

#### Communication

As with any employee, knowing when and when not to communicate is extremely valuable. Remember, this is a learning experience for the student. They are going to have questions. It's much more important that they ask the question than not. The student will be required to submit a memorandum to their faculty sponsor, internship site supervisor, and the Internship Coordinator at the mid-term mark of their internship. The memorandum will outline where the student feels their strengths are and where they need help in their perspective of the internship. This communication is invaluable to you as the employer, the student, and to the School of Business regarding the success of the internship program.

#### Mid-term Memorandum & Evaluations

As discussed above, the mid-term memorandum is a feedback device used by the student to address the work accomplished during the first part of the internship, describe any problems encountered, complete a self-assessment of their performance, and set goals for the remainder of the internship. It is addressed to the employer, with copies going to the faculty sponsor and Internship Coordinator.

We have two Google Forms that are used in the internship evaluation process. One is an Employer Evaluation Form that is sent to the employer to evaluate the student's performance. The second evaluation form goes to the student to evaluate the internship experience. If your organization has an established written evaluation method used for employees, you may send your organization's form instead of completing the Google Form. This evaluation gives the student an opportunity to learn and grow from the internship experience and for this program to learn and grow as well.

#### Keep in Mind

<u>Unemployment Compensation</u> -- School of Business interns are not entitled to unemployment compensation after completion of an internship experience for credit because the work experience is part of a USM approved educational program. In some cases, the student will be continuing to take classes at USM, or will be returning to classes, so may be unavailable for work once the internship experience is over.

<u>Worker's Compensation</u> -- Participating employer organizations are responsible for Worker's Compensation for all employees, including paid and/or unpaid interns, and should check with their insurance provider to obtain more information.

<u>Employee Benefits and Insurance</u> -- Internship students who are not employed by the company they intern with are ineligible for employee benefit packages from participating employers.

# **Roles & Responsibilities**

# **Students** are expected to:

- 1) Develop a professional- looking resume and cover letter.
- 2) Actively seek an internship in coordination with the Internship Coordinator.
- 3) After finding an internship, develop learning objectives in consultation with their faculty sponsor and site supervisor to be part of their learning contract.
- 4) Adhere to all personnel rules, regulations, and other requirements of the host organization, including regular and punctual reporting to work.
- 5) Dress appropriately.
- 6) Perform all assignments as required by the faculty sponsor.
- 7) Maintain communication with the faculty sponsor and Internship Coordinator. Attend all meetings as required.
- 8) Perform all assigned tasks to the satisfaction of the site supervisor.
- Notify the faculty sponsor and the Internship Coordinator of any problems or revisions to the learning contract.

Students may be terminated by an employer if their performance is unsatisfactory. The internship program requests that employers give students ample warning and an opportunity to correct unsatisfactory performance prior to termination. In all cases, it is requested that the employer contact the faculty sponsor or Internship Coordinator prior to the student's termination.

#### **Employers** (Site Supervisors) are expected to:

- 1) Provide well supervised, career-related opportunities for student interns.
- 2) Provide an academically qualified, professional level work experience related to the student's major.
- 3) Submit a job description of position responsibilities and applicant requirements for each internship position.
- 4) Either post internship on USM Job & Internship Board (<a href="https://usm-maine-csm.symplicity.com/employers/">https://usm-maine-csm.symplicity.com/employers/</a>) and inform the Internship Coordinator that it is posted or ask the Internship Coordinator for assistance with posting. \*Please Note: Due to fraudulent employment behavior new account verification may take up to 7 business days.
- 5) Establish a wage rate (if applicable) and level of responsibility according to the student's qualifications.
- 6) Assure that student interns will not be held financially accountable for training, materials, and/or other items required to perform the duties of this internship.
- 7) Notify the Internship Coordinator when business students are employed by your organization.
- 8) Communicate periodically with the student and faculty sponsor concerning the student's performance and progress.
- 9) Provide Workers Compensation Insurance for all paid student interns.

- 10) Include students in the company's general liability insurance policy while working for your organization.
- 11) Provide an orientation to the worksite; introduce the intern to other staff members.
- 12) Evaluate the student's performance at the end of the internship and submit the USM Google Form evaluation to the Internship Coordinator.

## The **Internship Coordinator** is expected to:

- Assist students with finding internship opportunities. Notify candidates about internship opportunities through a student email distribution list, verbal communication, and faculty email distribution list.
- 2) Assist in the development of internship opportunities.
- 3) Assist employers with finding potential students to fill internships.
- 4) Oversee the internship program with respect to USM SB policy and maintenance of internship records.
- 5) Act as a liaison between the School of Business and the host organization.
- 6) Ensure that evaluations are sent to students, site supervisors and faculty sponsors.
- 7) Post internships if needed on USM Job & Internship Board.

# Faculty sponsors are expected to:

- Determine that the student is adequately and appropriately prepared and that the work experience is appropriate.
- 2) Review and approve the student's learning objectives (Learning Contract).
- Provide guidance for the student, including individual meetings, assignments, and employer visits as needed.
- Maintain contact with the site supervisor and provide appropriate assistance to maximize student learning experiences.
- 5) Submit a grade for the internship. (Grades are pass/fail for all internships except for 6 credit Sport Mgt. internships.).
- 6) Maintain contact with the Internship Coordinator and return forms in a timely fashion.

# **Internship Summary**

MINIMUM NUMBER OF HOURS: USM School of Business students are required to complete a minimum of 140 hours for 300 level 3 credit internships (400 hours min. for Sport Management majors) while enrolled in an internship. For BUS 295 internships students need to complete 47 internship hours per credit (1-3 credits).

<u>ELIGIBILITY:</u> At the time of completing an internship, an undergraduate business major/minor needs to have completed 54 credit hours minimum (24 credit hours minimum for 295 internships, major only, minors can't enroll in 200 level internships). Accounting and finance interns must have a minimum 2.5 GPA and marketing/insurance/general business interns must have a minimum 2.33 GPA. Sport Mgt. majors must also have completed BUS 311. *Employers can require a higher GPA for applicants.* 

<u>GRADING/CREDITS:</u> Internships are pass/fail and students earn three credit hours for a 300-level internship and one to three credit hours for a 295-level internship. Sport Management majors earn six credit hours and are given a letter grade for their internship experience.

# OF INTERNSHIPS FOR CREDIT: Majors can use 3 internship credits as part of their 15-credit major (if applicable) as well as 3 internship credits as part of their required 9-credits of SB 300+ elective courses. Students can receive a maximum of 6 internship credits which count towards SB major requirements. Other internship credits will be counted as general electives. Majors are limited to a total of 9 SB internship credits towards overall degree progress; and minors are limited to a total of 3 internship credits. Exception: Sport Mgt. majors can earn six credits in the major category.

COMPENSATION: Internships can be paid or unpaid.

<u>GUIDELINES:</u> It can be broad in nature (exposure to many different departments) or it can be department specific (i.e., Marketing/Finance/Insurance/Accounting). Any credit-bearing internship must be approved and supervised by a faculty member in the internship specialty.

<u>APPROVAL & REGISTRATION:</u> The School of Business internship must be approved for credit by a faculty member. The School of Business wants to see that the student will be learning something new\* by completing the internship. Employers should identify what the student will be doing and what the student will be learning by completing the internship.

(\*A new learning experience can be a new internship; a new job; or a new project on a current job.)

<u>FEDERAL STANDARDS:</u> The Department of Labor fact sheet which explains what experiences qualify for an internship can be found at <a href="https://usm.maine.edu/school-business/school-of-business-internship-program-2/">https://usm.maine.edu/school-business/school-of-business-internship-program-2/</a> (under the "Internship & Career Services Forms For employers" section).

<u>FACULTY CONTACT:</u> The faculty member will typically contact the employer at the beginning and end of the internship. Also, the faculty member will make at least one on site visit to the employer during the internship.

<u>FORMS:</u> Employers, as well as students, faculty sponsors, and academic advisors must sign an internship approval form for the student to register for the internship. Students also are required to create a learning contract that must be approved by the faculty sponsor. Also, an Educational Affiliation Agreement form must be signed by the employer if there is not one on file with the University.

<u>EVALUATION</u>: Each employer, student, and faculty sponsor involved in an internship is required to complete an evaluation at the end of the internship. Evaluations are sent by the Internship Coordinator about two weeks before the internship is scheduled to end.

# Four Steps for successfully supervising a student intern:

- 1) When you hire the student explain:
  - a. Responsibilities expected of the intern
  - b. Equipment provided by the company
  - c. Equipment provided by the student
  - d. Standards for appearance (dress expectations)
  - e. Salary, benefits, overtime pay (if applicable)
  - f. Starting date and ending date
  - g. Use of car (if applicable)
- 2) When the student begins work:
  - a. Introduce the student to office personnel, including key players
  - b. Identify person (site supervisor) who will assign work and supervise
  - c. Explain the chain of command
  - d. Identify where to go if there is a problem
  - e. Explain any office policies
  - f. Include the student in applicable department activities
- 3) At the beginning of each week:
  - a. Review the previous internship work with the student
  - b. Assign meaningful and challenging work
  - c. Tell the student what is needed, why it's needed, when and the format expected
  - d. Explain how the student's work will be evaluated
- 4) Schedule several intermediate reviews throughout the internship:
  - a. Monitor the student's general performance
  - b. Measure progress toward the learning contract
  - c. Make adjustments as needed

(Editor's Note: The above four steps were taken in part from the Center for Employer Teaching at the University of Cincinnati)

# **EVALUATIONS, EXAMPLES, & FORMS**

# Sample Internship Descriptions

Internships can be broad in nature (exposure to many different departments) or specific (exposure to a specific department or set of tasks). Internships could be in the following general areas:

□ Accounting □ Entrepreneurship □ Finance □ General Business □ Human Resources
□ International Business □ Marketing □ Management □ Production Operations Management
□ Management Science □ Risk Management & Insurance □ Sport Management
□ Strategy

# Sample Internship Descriptions:

# Accounting

The responsibilities associated with the tax intern position include the preparation of both federal and state tax returns for individuals, corporations, partnerships, and other business entities. The tasks required in the process of tax preparation include gathering the necessary financial information, inputting the information into a tax return software program, and tax rules and regulations research. The intern will receive hands-on practical experience in a public accounting firm and will become proficient in the tax preparation software used by the firm. Applicants need a minimum of a 2.5 GPA. The student must be an accounting major or accounting certificate student. Please submit your resume and unofficial transcript through USM Job & Internship Board.

## Sales & Management

The intern will participate in the sales/management area. The main divisions of the business the intern will be exposed to are customer service, business operations, and sales. The intern will shadow the assistant manager. The intern will learn "sell up" techniques and be trained in customer service techniques. The intern will spend two days in training at the corporate office. The student needs to be proficient in MS Word, Excel, and PowerPoint. Applicant needs to be a School of Business major with a 3.0 GPA. Pay depends on experience. The internship will be 10-15 hours a week and is flexible around the student's schedule. Hours will be during normal business hours. Please submit your resume and resume through USM Job & Internship Board.

#### Human Resources

The intern will assist the Director of Human Resources. The intern will work on tasks and projects in all areas of HR and will research recruitment practices, selection techniques, and processes for validating recruitment and selection. The intern will then make recommendations for the library's recruitment, selection, and validation practices. The intern will also review the Library's HR Information Systems (HRIS) database, update its

information on competitive compensation and benefits packages, and recommend other changes to the database. The intern will participate in the financial planning for the HR department and be actively involved in the capital budget decision making process. Finally, the intern will assist the director in identifying topics to be used in training and development programs. Prefer Business majors but will consider other majors. Prefer a 2.8 GPA, but not required. Please submit your resume through USM's Job & Internship Board.

# Marketing

This paid internship is designed to provide a student with a broad scope of learning within marketing and certain aspects of the sales function of a start-up company. Marketing activities include further developing the marketing messages used in the business, updating marketing brochures, designing and implementing our Facebook page and/or the Company's website, develop customer "lead lists" by researching target customer Information, sending brochures to target customers, conducting initial phone contact with target customers with goal of arranging the physical sales call, participating in sales calls including formulating the service agreements, and developing a sales-cycle pipeline where potential customer sites are tracked through a multistage process from the initial call to signing contract. Need to be a School of Business major with a required 3.0 GPA. Please submit your resume and cover letter through USM Job & Internship Board.

# Mid-Term Memo Example

#### MID-TERM PROGRESS REPORT MEMORANDUM

**TO:** Linda Jones, Director of Human Resources [Site Supervisor]

CC: Richard Bilodeau, Faculty Sponsor [Faculty Sponsor] USM School of Business [Internship Coordinator]

FROM: Richard J. Smith, Human Resources Intern

**DATE:** March 19, 2019

During the first six weeks of my internship, I have accomplished the following:

- \* Researched recruitment and selection practices and submitted report.
- \* Reviewed validation procedures, and recommended changes.
- \* Reviewed HRIS database and developed procedures for periodic HRIS review.
- Updated compensation and benefits information in HRIS.
- \* Assisted in the submission of a tentative budget to the Finance department.

The completion of these projects has been a successful work and learning experience. I am pleased with my performance and feel I have been a valuable member of the HR team.

I also encountered a few problems. It was initially difficult for me to access the HRIS system because of my lack of experience with the database. In addition, I learned a valuable lesson after the budgeting error that occurred when I misinterpreted last year's fiscal data. In the future I will ask for clarification when I have doubts about my work.

Lastly, I have learned the importance of having a clearly defined goal before research is conducted. If I had surveyed the staff to identify their informational needs before I began my research, I would have spent less time doing the research and my report would have better addressed staff needs.

Overall, I am on schedule in terms of completing projects. I am also meeting my learning goals, but I would like more conversations with staff to learn about HR career opportunities. The first six weeks of this internship have been a rewarding and positive experience for me.

I agree with Richard's self--assessment.

We are extremely pleased with his performance.

Linda Jones

# **Learning Contract Instructions for Students**

Each student enrolled in a School of Business Internship negotiates a learning contract with a faculty sponsor. The learning contract outlines what you intend to accomplish on your internship, and how this will be evaluated. Think of the learning contract as a tool for generating shared expectations between you and your faculty sponsor. It is also a way to help you plan your internship and maximize your benefit from it. Given that an internship is intended to be a self-directed learning experience, the student is responsible for developing the learning contract.

Draft a learning contract using the format outlined below. Submit the first draft of your learning contract to your faculty sponsor for approval before beginning the internship. Using feedback from your faculty sponsor revise the learning contract until it is approved. The student is encouraged to discuss the development of the contract with your employer and to provide them with a copy of the final version.

# PART I: DESCRIPTION OF THE WORK EXPERIENCE [to be negotiated with employer]

## A. Job Description.

a. Obtain written objectives or a job description from your employer. Describe your role and responsibilities. Include a description of any meetings, trainings, job shadowing, workshops, and other related events that you may be attending.

## B. Work Site Supervision Evaluation.

a. Describe the supervision and assistance you will receive at the work site. How and when will your employer evaluate your work performance? Indicate if someone other than the supervisor listed on the internship approval form will evaluate your performance or if a form other than the one sent to the employer by the University is to be used, attach a copy.

# PART II: DESCRIPTION OF THE LEARNING EXPERIENCE [developed by student and approved by faculty sponsor]

- A. Learning Goals. What do you plan to learn during this experience? Goals may relate to:
  - a. knowledge you hope to acquire about the organization, business practices, or the functioning of organizations in general,
  - b. skills you hope to develop or apply, or
  - c. insight you hope to gain into your career direction, your strengths and weaknesses, and your ability to operate in professional settings.

## PART III: DESCRIPTION OF LEARNING ACTIVITIES AND COURSE REQUIREMENTS

What activities will help you obtain each of your learning goals? Activities may be assigned by the employer as part of the job, required by the faculty sponsor for the course, or included for your own development. All students are required to:

A. Progress on all my learning goals will result from my on-the-internship (job) activities.

- B. Meet with faculty sponsors periodically when needed to:
  - a. address student questions,
  - b. discuss the student's job performance and internship experience,
  - c. discuss career opportunities and the student's career direction, and
  - d. demonstrate accomplishment of the goals in the learning contract
- C. Prepare a midterm progress report memorandum.
  - a. The memo is to be directed and submitted to your employer, and copies given to your faculty sponsor and the internship coordinator. It should address the work accomplished during the period, problems encountered, a self- assessment of performance and the goals for the remainder of the internship. Ask your employer to meet with you to provide verbal feedback as well as written feedback that you can show your faculty sponsor. The latter can be brief, handwritten comments on your memo, or a separate memo, indicating the employer's agreement with your memo. An example memo is available on the School of Business website.
- D. Academic Requirements. Submit a final paper/project and/or keep a journal (Your faculty sponsor will determine your academic requirements.)
  - a. The focus of this might be:
    - i. A portfolio of the work you produced on-the-job and a reflective essay on that work.
    - ii. Reflection on the accomplishment of your learning goals.
    - iii. What insights did you gain about the field? What are your observations about organizations and professional roles and norms?
    - iv. How did the internship experience change your view of yourself and contribute to your professional development? What knowledge and skills were developed? What strengths and weaknesses were uncovered by the experience? How did you think, feel, and act in a professional setting, and how did others in that setting think, feel, and act toward you? What insights did you gain into your attitudes, values, and behaviors?
    - v. How did the internship affect your academic or career plans?
    - vi. Reflect on your approach to problem resolution in organizations.
    - vii. How could you have benefited more from the internship experience?
- E. Act professionally on the job as a representative of USM and the School of Business.
  - a. I will assist my faculty sponsor in setting up at least one site visit.
- F. Complete an evaluation of the internship experience.
  - a. You will receive an official evaluation from the School of Business.
  - b. The employer and the faculty sponsor also complete an evaluation.
- G. (Optional) Students are encouraged to:
  - a. Submit to the Internship Coordinator an updated resume that includes the Internship position.
  - If you need assistance updating your resume, please contact either the Career Hub or the Internship Coordinator

# Internship Approval Form

Please see the following page.



# School of Business Internship Southern Maine Approval Form

To register for the internship course(s), bring this completed, signed form to the Ben Cates, Internship Coordinator, at 123 Luther Bonney Hall *or* email benjamin.cates@maine.edu. You must attach a Learning Contract.

Student		Employer		
Name	Firm Name			
Address	Address			
Email	Supervisor Name			
Telephone	Supervisor Title			
MaineStreet ID #	Telephone			
Major(s)	Email			
Course Information	Internship	o/Position Ir	nformation	
Course number	Is this a new work experience?			
Class number				
Semester & Year	Position Title			
Faculty Sponsor	Approx. beginning and ending dates	to	)	
Faculty Sponsor Contact Info	Compensation (enter 0 or hourly amount)	·		
redit and Grading: 3 credits pass/fail ours Needed to Complete: 140 minimum				
Description of the Work Experience				
nployer Signature:				
. Description of the Learning Experience				
he student agrees to complete the work and lear consor of difficulties that might affect satisfactor ny time, to modify this agreement.	=	_		
cceptance by Student:		_ Date: _		
Approval by Faculty Sponsor:		_ Date: _		
Approval by Academic Advisor:				

# **APPENDICES**

# U.S. DOL Internship Programs Under the Fair Labor Standards Act Fact Sheet

Fact Sheet #71: Internship Programs Under The Fair Labor Standards Act (Updated January 2018)

Adapted from https://www.dol.gov/agencies/whd/fact-sheets/71-flsa-internships

This fact sheet provides general information to help determine whether interns and students working for "forprofit" employers are entitled to minimum wages and overtime pay under the Fair Labor Standards Act (FLSA).<sup>1</sup>

# Background

The FLSA requires "for-profit" employers to pay employees for their work. Interns and students, however, may not be "employees" under the FLSA—in which case the FLSA does not require compensation for their work.

# The Test for Unpaid Interns and Students

Courts have used the "primary beneficiary test" to determine whether an intern or student is, in fact, an employee under the FLSA.<sup>2</sup> In short, this test allows courts to examine the "economic reality" of the internemployer relationship to determine which party is the "primary beneficiary" of the relationship. Courts have identified the following seven factors as part of the test:

- 1. The extent to which the intern and the employer clearly understand that there is no expectation of compensation. Any promise of compensation, express or implied, suggests that the intern is an employee—and vice versa.
- 2. The extent to which the internship provides training that would be similar to that which would be given in an educational environment, including the clinical and other hands-on training provided by educational institutions.
- 3. The extent to which the internship is tied to the intern's formal education program by integrated coursework or the receipt of academic credit.
- 4. The extent to which the internship accommodates the intern's academic commitments by corresponding to the academic calendar.
- 5. The extent to which the internship's duration is limited to the period in which the internship provides the intern with beneficial learning.
- 6. The extent to which the intern's work complements, rather than displaces, the work of paid employees while providing significant educational benefits to the intern.
- 7. The extent to which the intern and the employer understand that the internship is conducted without entitlement to a paid job at the conclusion of the internship.

Courts have described the "primary beneficiary test" as a flexible test, and no single factor is determinative. Accordingly, whether an intern or student is an employee under the FLSA necessarily depends on the unique circumstances of each case.

If analysis of these circumstances reveals that an intern or student is actually an employee, then he or she is entitled to both minimum wage and overtime pay under the FLSA. On the other hand, if the analysis confirms that the intern or student is not an employee, then he or she is not entitled to either minimum wage or overtime pay under the FLSA.

#### **Footnotes**

- 1 The FLSA exempts certain people who volunteer to perform services for a state or local government agency or who volunteer for humanitarian purposes for non-profit food banks. WHD also recognizes an exception for individuals who volunteer their time, freely and without anticipation of compensation, for religious, charitable, civic, or humanitarian purposes to non-profit organizations. Unpaid internships for public sector and non-profit charitable organizations, where the intern volunteers without expectation of compensation, are generally permissible.
- 2 E.g., Benjamin v. B & H Educ., Inc., --- F.3d ---, 2017 WL 6460087, at \*4-5 (9th Cir. Dec. 19, 2017); Glatt v. Fox Searchlight Pictures, Inc., 811 F.3d 528, 536-37 (2d Cir. 2016); Schumann v. Collier Anesthesia, P.A., 803 F.3d 1199, 1211-12 (11th Cir. 2015); see also Walling v. Portland Terminal Co., 330 U.S. 148, 152-53 (1947); Solis v. Laurelbrook Sanitarium & Sch., Inc., 642 F.3d 518, 529 (6th Cir. 2011).