Internship Information Sheet

Information for Organizations Contracting with
Iowa State University for Student Internships

Considerations:
- **Unpaid** internships must meet the requirements of the federal Fair Labor Standards Act (see Unpaid Internships below).
- **Paid** internships are generally subject to state and federal laws such as the Fair Labor Standards Act. Such laws require the employer to pay at least the minimum wage for all work done by the intern. In addition to paying at least the minimum wage, the amount paid to an intern must be comparable to the amount paid to other interns performing similar work.
- Supervisors must provide appropriate safety training before the intern begins to work and ongoing guidance and supervision after the intern begins work.
- This applies to all businesses or public agencies that meet any of the following three standards: 1) have two or more employees, 2) are involved in interstate commerce, or 3) have annual sales of $500,000 or more. This specifically includes educational institutions and their athletic departments.

**Unpaid Internships**: The Fair Labor Standards Act sets the following requirements for unpaid internships.
- The training must be for the benefit of the intern and not for the benefit of the employer.
- The organization derives no immediate advantage from the student's activities and on occasion will be impeded because of the need to provide training for the student.
- Unpaid interns must not displace regular employees or be hired instead of regular employees.
- The training provided to the intern must be similar to training that would be given to a student by a school providing career-directed (vocational) training.
- The intern cannot be guaranteed a job at the conclusion of the training period. This does not mean that they cannot be hired after the internship, just that they can’t be promised a job conditional on their internship.
- In an unpaid internship, the intern and the employer must understand that the intern is not eligible for wages for the time spent in training.

**Practical Guidelines for Unpaid Internships:**
- The organization must communicate the learning objectives of the internship to the prospective intern and Iowa State University in writing (see Agency Acceptance Form).
- For an unpaid internship, the organization must communicate in writing that the internship will be unpaid (see Agency Acceptance Form).
- A contract between the organization and the intern that stipulates that the work being performed is for college credit or for a nominal stipend does not change the character of the relationship if the law is being violated.

**Practical Guidelines for Paid Internships:**
- The organization must communicate the learning objectives of the internship to the prospective intern and Iowa State University in writing (see Agency Acceptance Form).
- For a paid internship, the organization must communicate in writing that the intern will be paid at least minimum wage for the time worked (see Agency Acceptance Form).