



# The Perils of Hiring an Intern: What Businesses Should Know

News

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Kevin Troutman was quoted in *Nerd Wallet* on June 3, 2015. The article “The Perils of Hiring an Intern: What Businesses Should Know” provided issues to keep in mind if you’re hiring interns this summer.

Kevin provided four good tips:

## 1. Decide: paid or unpaid

“To pay or not to pay” is the most contentious question when it comes to hiring interns. Businesses can choose either, although Kevin warned that working with unpaid interns is risky. Businesses with unpaid interns have to meet specific requirements under the Fair Labor Standards Act or risk getting audited by the U.S. Department of Labor.

“Unless a company really has in mind that they want to do something to benefit the community,” he said, “I would recommend going for the paid internship over the unpaid.”

“There’s going to be a cost one way or another,” Kevin said. “It’s either going to be your time or it’s going to be your money. It’s probably going to be some of both.”

## 2. Interview candidates

Businesses should interview intern candidates — even unpaid ones — as they would employees, Kevin said. During the interview, make it clear whether you’ll be paying the intern, and stress that there is no guarantee that you’ll hire the candidate full time at the end of the intern experience. The conversation should be a two-way street; ask candidates about their expectations for the internship, and make sure they match yours.

## 3. Create a written agreement

If you decide to work with an unpaid intern, it’s crucial to make an agreement for the intern to sign before starting work. This agreement should include the duration of the internship, explicitly state that the intern will not be paid, and explain the type of educational training the intern will get from the experience, Kevin said.

The document doesn’t have to be long, but those three elements need to be included. Although it’s not absolutely necessary, Kevin recommended having an attorney draft the agreement.

#### **4. Track interns' time sheets**

If you hire paid interns, have them track the time they work meticulously. They should document the time they start and end each day, minus any meal breaks longer than 30 minutes, Kevin said.

You have to pay interns at least minimum wage, but the average intern with a bachelor's degree earns \$17.20 an hour, according to a 2015 report from the National Association of Colleges and Employers. You'll also have to pay your interns time and a half if they work more than 40 hours a week to comply with federal law. Some states, such as California, have more strict requirements; check with your state's labor office for your state-specific overtime laws.

To read the full article, please visit [Nerd Wallet](#).

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