PAID VS. UNPAID (a quick overview of FLSA)
To prevent misuse of temporary labor, U.S Fair Labor Standards Act (FLSA) puts clear restrictions on an employer’s ability to use unpaid interns and trainees. It does not limit an employer’s ability to hire paid interns (as long as those interns make the minimum wage of $8.50/hr. in Michigan).

Unpaid internship programs in a for-profit organization must meet all six criteria:

1. The internship, even though it includes actual operation of the facilities of the employer, is similar to the training which would be given in an educational environment;
2. The internship experience is for the benefit of the intern;
3. The intern does not displace regular employees, but works under close supervision of existing staff;
4. The employer that provides the training derives no immediate advantage from the activities of the intern; and on occasion its operations may actually be impeded;
5. The intern is not necessarily entitled to a job at the conclusion of the internship;
6. The employer and the intern understand that the intern is not entitled to wages for time spent in the internship.

For more information, please consult the U.S. Department of Labor’s Wage and Hour Division website: http://www.dol.gov/whd/.

CRIMINAL BACKGROUND CHECKS
If your organization requires a criminal background check, NMU Public Safety Department has arranged with an external firm to provide that service for students at a reasonable cost through an online order system. The student can contact Public Safety for the website link, instructions and NMU Package Code.

EQUAL OPPORTUNITY COMPLIANCE
Anti-discrimination and Harassment
Federal law, Michigan law and University policy prohibit discrimination in the conduct of educational programs, including off-site work experience programs. Northern Michigan University’s Non-Discrimination Policy can be found at http://www.nmu.edu/equalopportunity.

Please be sure to have widely disseminated anti-harassment policies, and effective complaint, investigation, and remedial procedures. All of these would apply to a student working in your organization. This information should be made available to a student during the orientation. Definitions of inclusion and policies are at http://www.nmu.edu/equalopportunity.

While NMU would not be liable for harassment during a work experience that is optional, the student may choose to report the harassment to the University following the Harassment Policy (see above), as well as Academic Affairs, which should then follow up by attempting to investigate the matter and removing the student from having contact with the offending individual.

REFUSAL OR REMOVAL OF STUDENTS
Your organization may request the right to refuse to accept a student for legitimate, nondiscriminatory reasons, such as former employees who have been terminated for cause, relieved of responsibility for cause or those who are otherwise not eligible to be employed by your organization.

You may request the right to remove a student from a placement by submitting a nondiscriminatory written request to the University. However, in return for agreeing to the prompt removal of a student, the University insists on the Agency taking responsibility for that removal, should the student sue for damages for loss of grade, loss of time, loss of tuition, damage to reputation, etc. While NMU would not be liable for harassment during a work experience that is optional, the student may choose to report the harassment to the University, which should then follow up by attempting to investigate the matter and removing the student from having contact with the offending individual.
LIABILITY AND INDEMNIFICATION (Unpaid Experiences Types 1 And 2)

Liability Insurance Coverage for the University and Agency
Your organization may ask if the University insures itself against certain risks and provide proof that it has done so. Most reasonable risks are already covered by existing policies. The NMU Agency Agreement templates in Appendix A and B address this. If you need an explicit promise of coverage from the University, we will work with the NMU Risk and Insurance Manager to develop language similar to:

The University and the Agency both agree to maintain comprehensive general liability insurance, which covers employees and students whenever liability might exist. Upon request, a certificate of insurance will be furnished to the other party indicating coverage effective dates and liability limits.

Liability Insurance Coverage for the Student
The University carries liability insurance to cover a student when performing services or engaged in activities on behalf of or under the University’s direction. The primary control, which our insurance carrier has been informed is operating, is that NMU only sends out students who are responsible and capable of performing all that is agreed to either verbally or in writing. Often only you will be able to determine if job requirements are realistic. There is often a temptation to leave these requirements vague since both you and your contact are "people of good faith" who can "work out any problems as they arise." In the long run, the process of working through the programmatic requirements can only help the student, the Agency and you.

Liability for Injury to the Student
Conventional wisdom has been that once the student is beyond the direct control of the institution, there is no liability for any injury that may occur.

Any student to be placed in a high-risk work experience setting should be asked to show proof of hospital/medical insurance to the Director of the internship at NMU.

Liability for Injury or Property Damage Caused By the Student
In the event that a student causes an injury or property damage, the University’s general position is that liability should flow to those who were supervising or were in charge of the student at the time the incident occurred.

- If the student is under the control of the University and following the instructions of a faculty supervisor, the University may be liable.
- If the student is under the supervision of your employee, your organization would be liable.
- If the student acts on his or her own and not under supervision, the student will probably be liable, as will the party, which failed to or should have provided supervision. This makes it vitally important to stress to the student the limits of his or her responsibility and authority.

Indemnification - Compensating For Loss
Each party agrees that statutory and common law theories and principles of indemnification, contribution, and equitable restitution shall govern and apply to claims, costs, actions, causes of action, losses or expenses (including attorney fees) resulting from or caused by its actions, the actions of its employees and of students pursuant to this agreement.

If the Agency is unwilling to agree to this language or if it insists on its own language, consult with the Risk and Insurance Manager who may be able to suggest alternative language.

Workers’ Compensation & Unemployment Compensation
Workers’ compensation boards have found that interns contribute enough to an organization to make them employees. It is wise to cover interns in your workers’ compensation policy, even though you are not required to do so. Interns are generally not eligible for unemployment compensation at the end of the internship.