Overview

The USC Marshall School of Business strongly encourages our students to participate in professional internships, as it is a critical part of their education. This practical training will give students exposure to an industry, it will develop critical skills and it will provide experience relevant to their personal and professional growth.

We fully expect internship employers to provide our students with personal training, ongoing guidance and support, and timely feedback/evaluations by the employer’s internship coordinator. The internship coordinator should also provide interns with a clear understanding of their job duties, responsibilities, and expected results.

We realize that internships come in many different varieties, but our hope is that employers will always financially compensate interns for their work through an hourly rate of pay, weekly or monthly stipend, or provide tuition-assistance in lieu of direct pay when possible. Parking and job-related incidentals should always be paid for by the employer, even if it is an unpaid position.

If the employer is unable to pay interns, they must abide by the standard set forth under the Fair Labor Standards Act (FLSA), a federal law established by the U.S. Department of Labor. It is strongly suggested that unpaid interns work a maximum of 10-15 hours per week during the academic year, and less than 30 hours per week during the summer term. Ultimately, this decision is up to the employer and intern to establish before the internship begins.

Fair Labor Standards Act

Pursuant to FLSA, the U.S. Department of Labor has outlined six criteria for differentiating between an employee entitled to financial compensation and a learner/trainee who may be unpaid. The criteria for learner/trainee are:

1. The training, even though it includes actual operations of the facilities of the employers, is similar to that which would be given in a vocational school.

2. The training is for the benefit of the student.

3. The student does not displace a regular employee, but works under the close observation of a regular employee or supervisor.

4. The employer provides the training and derives no immediate advantage from the activities of the student; and on occasion, the operations may actually be impeded by the training.

5. The student is not necessarily entitled to a job at the conclusion of the training period.

6. The employer and the student understand that the student is not entitled to wages for the time spent training.

It is important to note that not all six factors have to be present in order for the individual to be considered a trainee. That being said, the experience should look more like a training/learning experience than a job.

Employer Guidelines

If an unpaid internship is being contemplated by an employer, they should be able to answer “yes” to at least half of the following questions:
1. Is the work that you are offering an integral part of the student’s course of study?

2. Will the student receive academic credit for the work or is the internship required for graduation?

3. Does the student have to prepare a report of his/her experience and submit it to a faculty supervisor?

4. Have you received a letter or some other form of written documentation from the school stating that the internship is approved/sponsored by the school as educationally relevant?

5. Will the student perform work that other employees also perform, with the student doing the work for the purpose of learning and not necessarily performing a task for the employer?

6. Is the student working and providing benefit to you less than 50 percent of the time and/or is the student in a shadowing/learning mode?

7. Will you provide an opportunity for the individual to learn a skill, process, or other business function, or operate equipment?

8. Is there educational value to the work performed, that is, is it related to the courses the person is taking in school?

9. Is the individual supervised by one of your staff members?

10. Is it clear that a job is not guaranteed upon completion of the training or completion of the person’s schooling?

Source: Rochelle K. Kaplan, Legal Counsel, National Association of Colleges and Employers, 62 Highland Ave., Bethlehem, PA 18017, (800) 544-5272 Ext. 10

We strongly encourage all employers to check with their Human Resources or Legal Departments to fully understand their organization’s policies on hiring unpaid interns prior to advertising and filling a job opening. Some employers choose not to require students to receive academic credit for an unpaid internship, but it is not recommended.

If the employer requires an intern to receive concurrent academic credit for an unpaid internship, they should make reasonable accommodations so the student can attend class or complete assignments as needed.

Ethics of Unpaid Internships

The USC Marshall School of Business and the USC Career Center are not able to fully vet all of the internship positions posted through University job boards, and we expect employers to act in accordance with federal and state labor laws, including the Fair Labor Standards Act.

Unpaid interns should never be treated as or considered “free labor,” and they should be given clear and challenging tasks with training, support, guidance, and feedback from the employer to ensure successful learning and task completion. The USC Career Center and the Marshall School of Business will take swift action if an intern expresses concern over the professional nature of their internship, which could result in denying recruiting access to an employer for a determined length of time.

We strongly encourage our students to carefully research and consider internship opportunities before accepting an offer. Not all internships are glamorous, and they will often require interns to do menial tasks that may not seem directly related to their learning. Menial tasks are acceptable within reason, as long as they are balanced with challenging tasks requiring interns to draw from their formal education and training.
We hope our student interns use good judgment in the workplace, and that they communicate their internship expectations directly to the employer’s internship coordinator. Students are encouraged to address any concerns they have with their supervisors first, and involve USC staff and faculty when necessary. If a student finds themself in an unfavorable situation with their internship employer, the USC Career Center and the USC Marshall Career Services staff are always willing to meet with and provide guidance to the student.

Student Frequently Asked Questions (FAQs)

How do I receive academic credit for my unpaid internship?
USC students doing an unpaid internship should enroll in one of the many internship courses taught at USC. MDA-250 (Dornsife) and BUAD-495 (Marshall) are the most common internship courses for Marshall and Leventhal students. These courses are 1-unit and are offered every spring, summer, and fall term. Please see the USC Career Center’s website for a full list of internship courses taught at USC or consult an academic advisor.

I don’t want to pay for a USC class during the summer. What are my options?
During the summer term, a USC student may elect to take an internship course at another academic institution, and they do not need to transfer the credit back to USC. We strongly recommend that students plan in advance if they hope to enroll in an internship course outside of USC. Courses offered through public institutions and community colleges are often extremely limited and fill quickly. **International students must take the internship course at USC.**

Where do I get a letter from USC verifying that I am receiving academic credit for the internship?
If an employer requires proof of enrollment in an internship course, their instructor should be able to provide this verification. The Marshall Undergraduate Advising Office located in Bridge Hall 104 can also write this letter on the student’s behalf, but the student must be enrolled in BUAD 495.

Please note – If the student is unable to register for an internship course, the Marshall Student Services Office will write a letter of support for the student’s internship on a case-by-case basis. Letters of support say that we believe the internship is worthwhile for a student’s career development, but we will **NOT** state that the student is receiving academic credit unless they are registered in one of the many internship course sections taught at USC. If the employer requires proof of enrollment in an internship course, a letter of support may not satisfy their requirement.

I am an international student. Am I allowed to do an unpaid internship?
Yes, but F-1 international students participating in an unpaid internship must contact OIS for more details regarding work authorization requirements.

What if I receive an internship offer after the add/drop deadline?
We strongly encourage employers and students to finalize internship offers within the first three weeks of the semester. If a student has documentation that they received an internship offer after the add/drop deadline, they may be able to enroll in a mid-semester section of BUAD-495 if one is being offered. This section starts halfway through the semester and remains hidden on Web Registration until after the add/drop period. Students are encouraged to call the Marshall Undergraduate Advising Office at 213-740-0690 to inquire about this course, as it is not always available.

If a student can’t enroll in a course after the add/drop period, students are encouraged to contact the Marshall Student Services Office in Hoffman Hall 200. They may be able to issue a letter of support on the student’s behalf. If the employer requires proof of academic credit for the internship, we encourage students to speak to their employer about deferring the offer until the next academic term.

Questions?
Marshall Undergraduate Student Services
701 Exposition Blvd. | Hoffman Hall 200 | Los Angeles, CA 90089-1421 | Tel: (213) 740-5705 | ugcareers@marshall.usc.edu