10 Things to Include in an Unpaid Internship Agreement



Canada abolished slavery in 1834. But some forms, free labour remains alive and well. Thus, employment standards laws still allow for unpaid internships. While they may not get wages, students of colleges, universities, and vocational schools do get value in the form of opportunity to gain real-life work experience in their field of study. But that doesn't mean internship arrangements are exempt from all legal regulation. Interns have other rights, even if getting paid isn't one of them. Employers who overlook this fact do so at their own legal peril.

Bottom Line: As with paid employees, employers who hire unpaid interns should have a written agreement setting out the specific terms of the internship arrangement. Here are the 10 provisions such an agreement should include.

1. Intern's Duties & Responsibilities

Stripped to its bare essence, an employment contract is an agreement by an individual to perform specific duties in exchange for the employer's promise to pay compensation for the performance of those duties. The internship agreement is pretty much the same thing. So, start by listing the duties and tasks the intern will perform, as well as other key details such as:

- The intern's job title, if any.
- The department or part of the company the intern will work for.
- The address of the physical location where the work will take place, which may be the intern's home or other remote location.
- The name of the intern's supervisor (Template Agreement, Sec. 1).

2. Intern's Compensation

List the intern's compensation, if any. If the internship is unpaid, the agreement should express that fact along with the intern's acknowledgement that the experience and opportunity to work for the company constitutes valuable consideration for doing the job without compensation. The agreement should also give you the leeway to restructure the intern's role or pay compensation of no less than the minimum wage in case it turns out that the proposed arrangement requires compensation under the employment standards laws of your province (Template Agreement, Sec. 4).

3. Term of the Internship

Specify the date the internship begins and ends. You might want to coordinate those dates with the university, college or vocational school that the intern attends (Template Agreement, Sec. 2).

4. Work Hours & Schedule

Set out the details of the intern's work schedule, including:

- Which days of the week the intern will be expected to work.
- The start and end time of each work day.
- The total number of hours the intern will work each week.
- The lunch and other work breaks the intern will have.
- The procedure for revising the intern's work schedule (Template Agreement, Sec. 3).

5. Termination Protocols

Internship agreements are typically intended to last a specific duration and terminate when the internship period ends. However, you should also provide for early termination:

- By either party at any time upon written notice to the other.
- By the company if the intern violates the terms of the agreement or engages in other objectionable conduct.
- By the company in the event of unforeseen changes or circumstances that frustrate the purposes of the agreement.

The agreement should also require the intern to return all company content, materials, and work product to the company within a stated period, e.g., 2 weeks, when the agreement ends, regardless of how it's terminated (Template Agreement, Sec. 10).

6. Nature of Intern's Legal Relationship to the Company

Hiring an intern may have subtle legal ramifications that you neither foresee nor desire. To protect your company, the agreement should include language specifying that:

- The agreement isn't intended to create an employer-employee or principal-agent relationship.
- The intern doesn't have the authority to bind your company.
- The internship isn't intended to constitute a promise by the company to employ the intern in the future (Template Agreement, Secs. 5 + 6).

7. Intern's Duty of Confidentiality

In the course of the internship, you may have to provide interns trade secrets, customer lists or other confidential and proprietary information so they can perform their designated duties and responsibilities. To guard against the confidentiality risks this entails, get the intern's express agreement to disclose and use any such information solely for performing their internship-related duties and not for personal benefit or advantage. State that the intern's confidentiality obligations remain in full force and effect after the internship agreement ends (Template

Agreement, Sec. 7).

8. Ownership of Intellectual Property

Get the intern to agree that any and all images, videos, text, copyrights, and trademarks that the company furnishes the intern or that gets created as a result of the internship is solely your company's property. If, as is sometimes the case, the intern contributes their own intellectual property, the contract should acknowledge the intern's ownership while granting the company a royalty-free and transferable worldwide license in that property (Template Agreement, Sec. 8).

9. Company's Duty to Furnish Evaluation & Verification

You should be willing to provide the intern's university, college or vocational school an evaluation of the intern's performance if requested as well as a written record verifying the internship to the extent necessary to ensure the intern gets due academic or vocational credit for the work (Template Agreement, Sec. 11).

10. Other Standard Contractual Protections

Internship agreements should also contain other standard boilerplate contractual protections, including a clause:

- In which both parties represent that they're legally authorized to enter into the agreement and that carrying out their listed duties won't violate any laws or existing agreements (Template Agreement, Sec. 12).
- Stating the parties' duty to "indemnify" the other for liabilities and costs the other party may incur as a result of the party's violation of the agreement (Template Agreement, Sec. 13).
- Limiting the parties' liability to each other and third parties for losses not related to breach of the agreement (Template Agreement, Sec. 14).
- Indicating that if one part of the agreement is found to be invalid, the rest of the agreement will continue in force with the invalid part severed (Template Agreement, Sec. 15).
- Stating that a failure of any party to exercise a right under the agreement shouldn't be construed as a waiver of a future exercise of that right or a waiver of other rights under the agreement (Template Agreement, Sec. 16).
- Acknowledging that the written agreement is the entire agreement of the parties (i.e., that there are no unwritten side deals or agreements) and requiring that any future changes be made in a writing signed by both parties (Template Agreement, Sec. 17).