

InternNE Program Overview and Guidelines

InternNE connects college students and employers from across the state, providing a unique opportunity for them to co-invest in the future. Interns gain valuable business experience that will help them in future careers, while successful internships help businesses develop tomorrow's leaders. Internships create lasting connections between students and the region; more than 50% of interns become full-time employees at their place of internship, according to the National Association of Colleges and Employers.

The InternNE program facilitates relationships between Nebraska employers and college students through an online environment and offers financial assistance to companies creating new internships for college juniors and seniors in targeted industries. The program provides up to a 60% match, up to \$5,000, per internship for eligible businesses hiring eligible student interns. A business may apply for funding for up to 10 interns per year, with a maximum of 5 interns per company location, per year. Up to \$3 million is available in FY2011 and FY2012 to support businesses in hiring interns. Funding is provided through reimbursements to businesses, administered by the Nebraska Department of Economic Development.

Eligible businesses are primarily in Manufacturing, Research & Development, Distribution, Transportation, Storage & Warehousing, Data Processing, Telecommunications, Insurance & Financial Services, and others as well as Company Headquarters. Eligible students must be enrolled full-time in a postsecondary college or university and have completed at least one half of the total credit hours required for a bachelor or associate degree, per the institution's criteria. Internships must pay at least minimum wage, and be at least 200 hours (within a period of 12 weeks or less).

Section A: Eligibility

To be eligible, the project and business must meet all of the following requirements:

1. Eligible Businesses

Eligible businesses are for-profit businesses subject to Nebraska State tax engaged in any of the following:

- a) **Research, Development and Testing** in the following areas: Scientific, Animal Husbandry, Food Product or Industrial Purposes
- b) **Data Processing**: includes businesses whose main function is data processing
- c) **Telecommunications**: includes providers only, not service technicians or retail locations of the following areas: Phone services, Telemarketing/Call Center, Data center, Cable services, Community antenna television service, Internet access, or Stateline ground station
- d) **Insurance**: includes insurance companies, adjustors, underwriters, etc.
 - Does not include individual agent office locations
- e) **Financial Services**: includes only those provided by any financial institution subject to tax under Chapter 77, article 38, or any person or entity licensed by the Department of Banking and Finance or the Federal Security and Exchange Commission
 - Lending institutions, such as banks, qualify
 - Does not include accounting or wealth management companies that are not related to lending
- f) **Assembly, Fabrication, Manufacturing, or Processing** of tangible personal property:
 - Examples of eligible businesses in this category: Manufacturing of Equipment, Food Processing
 - Does not include "real property" such as the construction of a house or building
- g) **Storage, Warehousing, Distribution, Transportation, and Sale** of tangible personal property:
 - To qualify for sales:
 - sale of tangible personal property must have at least 75% or more of the sales or revenue from sales to consumers who are not related persons and are located outside of Nebraska, or
 - Sale of tangible personal property if 20% or more is at whole sale or

- Sale of tangible personal property if sales if 20% or more is to someone else in qualified businesses
 - Does not include “real property” such as the sale of a house or building (real estate)
- h) **Research, development, and maintenance of an Internet web portal:** internet web portal means an internet site that allows users to access, search and navigate the internet
- i) **Research, development, and maintenance of a data center:** Data center means a group of computers, supporting equipment, and other organized assembly of hardware or software in one or more interrelated physical locations that is designed to centralize the storage, management, and dissemination of data and information
- j) **Sale of software development services, computer systems designs, product testing services, or guidance or surveillance systems design services or the licensing of technology** if the company derives at least 75% of sales from sales or licensing either to customers who are not related persons and located outside of Nebraska or to the US Government
 - Including sales of such services, systems or products delivered by providing the customer with software or access to software over the Internet or other electronic means, regardless of whether the software or data accessed by customers is stored on computers owned by the business or a third party and regardless of whether the computer storing the software or data is located at the project
- k) **Company Headquarters, or the administrative management of the taxpayer’s activities:**
 - Note: a company eligible as Headquarters may apply for and receive reimbursement for no more than five (5) interns each year.
- l) **Any combination of the activities listed above**

Businesses whose activity is mainly accounting, healthcare, real estate, or media would not be eligible.

2. Eligible Projects/Internships

- a) An internship is a professional or technical position in a professional environment that provides a student with sufficient practical work experience for a limited period of time, allowing for career decision making, and provides the employer valuable skills to accelerate business objectives.
- b) Internships eligible for assistance must be “net new” internship positions, meaning the position is recently created and is in addition to the company internship baseline. The company baseline is the highest number of interns at your company at any one time during the year prior to your date of application, ending on the date of application. An internship position, for the purpose of this baseline calculation, is a position which required a student enrolled in a college or university and must have paid at least minimum wage. For example, a company who employed two interns simultaneously during the past year will have a baseline of two internships. A company who employed two interns consecutively during the past year will have a baseline of one internship, as the highest number at any one point was one internship. It does not matter if these internships were in different departments or had different job titles. Each company location may calculate their baseline number separately. Companies must first fill the number of positions in their baseline before filling and requesting reimbursement for internships approved by the InternNE program.
 - a. Example 1: A company employed two students in the fall and one in the spring. Their baseline number of positions is two.
 - b. Example 2: A company had one student intern as a Marketing intern. Now the company wants to create an Accounting internship. The company has a baseline number of one, it does not matter that they are different job titles.
 - c. Example 3: A company had two unpaid internships over the past year. The company has as baseline number of zero.
- c) Internships must pay at least the current federal minimum wage, currently \$7.25 per hour. Internship positions must be a minimum of 200 hours in a 12 week period. Any combination of weeks and hours per week that result in at least 200 hours in a period of 12 or fewer weeks is eligible. An eligible internship may count the

first 12 weeks, the middle 12 weeks or the last 12 weeks; it is eligible as long as there is one period of 12 weeks or fewer that the student reaches 200 hours. The company cannot be reimbursed for wages paid beyond 1,000 hours or 50 weeks and cannot require the student work more than 1,000 hours or 50 weeks. No financial support will be provided for costs that were incurred prior to the date of application. Internship positions may be filled by more than one person, as long as each intern meets the 200 hours in a 12 week period requirement. If an intern leaves the internship prior to working 200 hours in a 12 week period the Department may provide written consent for the business to hire a replacement intern to complete the internship.

- a. Eligible hours/week: 5 weeks at 40 hours per week; 12 weeks at 16.7 hours per week; 6 months with any period of 12 weeks or fewer within that internship reaching at least 200 hours.
 - b. Example 1: An internship is 10 hours per week during the semester and 40 hours per week during the summer. Though the does not reach 200 hours in 12 weeks or less while working during the semester, the intern does reach 200 hours in a period of 12 weeks or less in the summer; the intern reaches 200 hours in the first 5 weeks of the summer.
- d) InternNE is not intended to be support for indefinite or part-time employment. Internship positions may not take the place of permanent full-time positions. Internships may not make up more than 50% of the total company workforce.
 - e) An intern may be allowed to telecommute if the company is located more than 30 miles from the college or university in which the intern is enrolled, and if the college or university is in Nebraska. The business must receive written preapproval from the Department to hire an intern that will telecommute or for an intern to transition to a telecommuting internship.
 - f) Examples of internships that do not qualify include: Office/secretarial positions, sales of non-tangible items (such as insurance), bank tellers, meat packaging and processing positions, daycare or childcare staff, retail sales and cooks.

3. Eligible Interns

- a) Eligible interns must be either:
 1. Enrolled full time in an accredited four-year college or university in Nebraska and have achieved junior or senior status, per the institution's criteria, or
 2. Enrolled full time in an accredited two-year college in Nebraska and have completed a minimum of one-half of the total credit hours required for an associate degree, or
 3. Enrolled full time in an accredited four-year college or university in a state other than Nebraska, have achieved junior or senior status per the institution's criteria, and have residency in the State of Nebraska.
- b) Eligible interns must apply for the internship prior to graduation from their institution, although the internship may be completed after the intern graduates from their institution. Eligible interns may also include individuals continuing on as a student after graduation from a four-year college or university in pursuit of an advanced degree at a college of university.

Section B: Grant Amounts

1. Distressed and Non-Distressed Areas

InternNE funds may be used to reimburse up to the lesser of 40% of the internship cost or \$3,500 for any business. Businesses with internships located in distressed areas may be reimbursed for internship costs up to the lesser of 60% of the internship cost or \$5,000. Distressed area means a municipality, county with a population of fewer than one hundred thousand inhabitants according to the most recent federal decennial census, unincorporated area within a county, or census tract in Nebraska that (a) has an unemployment rate which exceeds the statewide

average unemployment rate, (b) has a per capita income below the statewide average per capita income, or (c) had a population decrease between the two most recent federal decennial censuses.

2. Maximum Number of Grants

A business may apply for and receive no more than five (5) grants in any 12 month period. For companies with multiple locations, the company may apply for and receive grants for no more than five (5) internships per location, with a maximum of ten (10) internships total. A maximum of two (2) grants will be made for the same individual for the same company, meaning an intern may be retained by the company for an additional period of time and receive a second year of funding for that same intern. Companies must re-apply to the InternNE program for second year grants.

Section C: Disbursements

1. Timing of Disbursements

InternNE grants are disbursed on a reimbursement basis. Reimbursements are upon completion of an internship by an intern and within 30 days of the completion of the internship, within 30 days of incurring the maximum grant allowance, or within 30 days of the termination of the contract. Reimbursements may be requested at the completion of each internship or at the completion of all internships incurring costs towards the InternNE contract. All disbursements will be made on a proportional basis, with a minimum match from the business required, either 40 or 60 percent, depending on the location of the business.

2. Forms and Documentation Required

No funds will be disbursed until all forms and reports from the intern and business are received.

- a) **Student Verification Form**: this is completed by the student at the beginning of their internship.
- b) **Student Evaluation Form**: this is completed by the student at the end of their internship.
- c) **Internship Completion Form**: this is completed by the business at the end of each student's internship.
- d) **Request for Reimbursement Form**: completed by the business at either the completion of each internship position, the completion of all internship positions, or once the company has incurred the maximum eligible costs for reimbursement.
 - **Supporting Documentation**: Documentation of the student's wages earned and hours and weeks worked is required with the Request for Reimbursement Form.
- e) **ACH Enrollment Form**: completed by the business and company's financial institution; required by the State to reimburse your account directly
- f) **W-9 Form**: completed by the business; required by the State to reimburse your company

Section D: Use of Funds

1. Eligible Use of the Funds

Eligible uses of the InternNE funds are the wages of the eligible intern. Eligible matching funds are wages of the eligible intern. Any activities not specifically authorized under Eligible Activities are ineligible to be carried out with InternNE funds, including furnishings and personal property for the business, such as the purchase of equipment, and mileage for the intern to commute to the business.

Section E: Application, Award Process, Hiring Interns and Contract Amendments

1. Applications

Applications are available online at InternNE.com/Employer. A business can find the application and program guidelines on the Employer or Resources pages or by logging in to their account. Applications and forms are also available at www.neded.org/InternNE. Applications will be reviewed weekly on the first day of the week by the

InternNE program coordinators with final approval given by the Project Review Committee and Director of the Department.

2. Application Review

Applications will be reviewed by the Department weekly on the first day of the week and evaluated based on the information provided in the application, plus information obtained by Department staff. The review process typically takes between two and four weeks. Approval and the amount granted per internship will also be dependent on the availability of funds. Specific evaluation criteria will include the following:

- a) Internship job duties
- b) Wage rate for the internship position
- c) Sources and uses of funding
- d) Type of industry and its economic impact in the area of the project
- e) Geographic location (the importance of state support for economic development in rural and economically distressed areas will be taken into account)

3. Application Approval

If approved, a contract will be executed and funds will be reserved for one year from the date of application. The contract will contain the following:

- a) Business' obligations for the project
- b) State funding approved and requirements for use of those funds
- c) Time of performance
- d) Reimbursement schedule
- e) Business reporting requirements
- f) Any special terms and conditions to the project established by the Department
- g) Accounting, auditing, conflict of interest, political activity and civil rights requirements
- h) Non-compliance definitions and penalties
- i) DED monitoring provision
- j) Non-performance penalties

4. Hiring Interns

A business may hire an intern at any time following application submission. The business is responsible for verifying the eligibility of the student for InternNE. Once the internship has been filled the student must self-verify their eligibility by completing and submitting the Student Verification Form to the Department. If the intern position includes telecommuting, the business must request written pre-approval from the Department.

5. Contract Amendments

A business may request a contract amendment to change the number of positions the business is eligible to create, change the positions titles and descriptions of the eligible positions or change the location of the positions. Amendment requests should be sent to the contact provided on the Application. Requests should include a short description of the request but does not need to be another completed application.

Section F: Second Applications

1. Process for Second Applications

A company may apply for a second grant of InternNE funds by completing a new application and following the same award process as the original application. As with an original grant, a company may hire students after application but before grant award, however, for second grant applications the Department of Economic Development can only reimburse wages earned after grant award.

2. Grant Period Restrictions

A company cannot be awarded a grant for more than 10 internships in any 12 month period (or more than 5 internships at any one location). Companies submitting a second application may only be awarded a grant for more internships after 12 months from their first grant's contract start date.

- a) Example 1: A company with an InternNE grant for the maximum number of positions they are eligible for (10 per company with a maximum of 5 per location) beginning on June 1, 2011 may not be approved for a second grant until June 2, 2012.
- b) Example 2: A company with an InternNE grant of fewer than the maximum number of positions they are eligible for (10 per company with a maximum of 5 per location) beginning on June 1, 2011 may be eligible to amend their first contract to reach that maximum number of positions.
- c) Example 3: A company has one location and was approved for 3 positions in their first InternNE grant beginning on June 1, 2011. If the company wants to hire an additional 3 positions for the summer of 2012 the company may amend their first contract to be 5 positions (the maximum number of positions eligible at one location). In this case the company has until June 1, 2012 to hire all 5 of the positions in the first grant regardless of the timing of the amendment as that is when the hiring period is (12 months from the beginning of the contract). The company would then need to apply for a second InternNE grant for the final position they wish to create. This second grant cannot be approved prior to June 1, 2012 (12 months from the start of their first contract) and would need to be in accordance with the baseline calculation requirements.

3. Create New Internships

Companies who hired an individual on full-time from an internship created under the company's original InternNE grant may retain their original baseline number in their second grant. In all other cases, the company would need to calculate their baseline number of internships (see 'eligible internships'). Businesses may elect to retain an individual in an InternNE internship for only two years.

- a) Example 1: A company had a baseline of 0 for their first InternNE application. They were approved for 4 positions and filled all 4 positions over the course of their contract. They did not hire any of their interns on full-time. Their new baseline number for a second application would be 4 positions. This means that if they wanted to use InternNE funding for positions they will create in the second year they will first need to fill 4 positions and the fifth one would be eligible for InternNE funds.
- b) Example 2: A company had a baseline of 0 for their first InternNE application. They were approved for 4 positions and filled all 4 positions over the course of their contract. They did hire one of their interns on full-time. Their new baseline number for a second application would be 0 positions again.
- c) Example 3: A company had a baseline of 2 for their first InternNE application. They were approved for 4 positions and filled all 4 positions. They did not hire any of their interns on full-time. Their new baseline number for a second application would be 6 positions.

Section G: Time of Performance

1. Contract Period and Extensions

All internships must be created within the 12-month contract time of performance. The contract may be extended for one (1) additional 12-month period in order to finish out internships created during the initial 12-month period. No additional interns may be hired after the initial 12-month contract period. Any interns hired after the initial 12-month time of performance will be deemed ineligible. Intern Verification Forms must be submitted within the 12-month period and must be received by the Department no later than 30 days after the Intern's first day of employment with the business.

Section H: Performance Requirements and Non-Compliance Penalties

1. Performance Monitoring

The Department will review progress on the project as needed, with at least one monitoring prior to final grant reimbursement. The monitoring may be desktop or in person. The review will assure the following:

- a) Positions for which the InternNE funds were granted were actually created

- b) An eligible intern was hired for the internship positions
- c) Employees received the wages agreed to in the contract
- d) All costs were eligible
- e) The internship position and duties meet required criteria

2. E-Verify

The business will be required to use the E-Verify Program to verify the employment eligibility of the intern and all employees the business hires during the contract period.

3. Non-Compliance

If the business is found to be non-complaint, the Department may revoke funding commitments and/or seek repayment of funds granted. If the business relocates or abandons its site during the grant disbursement period, the future disbursements are deemed invalid and the contract is canceled. The Department will remit repayments of internship grants due to non-compliance to the State Treasurer for credit to the Job Training Cash Fund.

To apply for InternNE funding visit www.InternNE.com.

For questions, please contact:

Ben Kuspa
Nebraska Department of Economic
ben.kuspa@nebraska.gov
402-471-3794

or

Allison Hatch
Nebraska Department of Economic Development
allison.hatch@nebraska.gov
402-471-3368