

**U.S. DEPARTMENT OF HEALTH
AND HUMAN SERVICES**



COMMISSIONED CORPS DIRECTIVE



**CCD 125.04
EFFECTIVE DATE: 10 February 2022**

By Order of the Secretary of Health and Human Services:

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SUBJECT: Fellowships, Scholarships, and Grants

1. PURPOSE: This Directive sets forth regulations governing:
 - 1-1. The receipt of fellowships, scholarships, or grants by members of the U.S. Public Health Service (USPHS) Commissioned Corps;
 - 1-2. The policy and assignment of responsibilities under which Public Health Service (PHS) officers may accept fellowships, scholarships, or grants from corporations, foundations, funds, or educational institutions organized and operated primarily for scientific, literary, or educational purposes; and
 - 1-3. The active-duty obligation (ADO) incurred by officers pursuant to such assignments.
2. APPLICABILITY:
 - 2-1. The regulations in this Directive apply to members of the Regular Corps and the Ready Reserve Corps.
 - 2-2. Nothing in these regulations limit any legal actions or remedies available to the Department of Health and Human Services (HHS) and the USPHS Commissioned Corps against any PHS officer who fails to fulfill an ADO.
3. AUTHORITY:
 - 3-1. [42 U.S.C. § 213a\(a\)\(9\)](#), "Rights, benefits, privileges, and immunities for commissioned officers."
 - 3-2. [10 U.S.C. § 2603](#), "Acceptance of fellowships, scholarships, or grants."
 - 3-3. [Executive Order No. 11079, January 25, 1963](#), "Providing for the prescribing of regulations under which members of the Armed Forces and others may accept fellowships, scholarships, or grants."
 - 3-4. [84 Federal Register 1752-1753](#), "Statement of Organization, Functions, and Delegations of Authority."

4. PROPONENT: The proponent of this Directive is the Secretary of the Department of Health and Human Services (HHS).
5. SUMMARY OF REVISIONS AND UPDATES: This is the first issuance of this Directive within the electronic Commissioned Corps Issuance System (eCCIS) and replaces Commissioned Corps Personnel Manual (CCPM) CC45.2.4, "Fellowships, Scholarships and Grants for PHS Commissioned Officers," dated 7 August 2000. This version:
 - 5-1. Removes the restriction that a service obligation resulting from the acceptance of a fellowship, scholarship, or grant may not be served concurrently with any other obligation.
 - 5-2. Clarifies, in Section 7-2., that the Secretary of HHS has the authority to prescribe regulations on the acceptance of a fellowship, scholarship, or grant. The regulations must, to the extent practicable, be uniform with those of the armed forces.
 - 5-3. Adds a new procedures section (Section 8).
 - 5-4. Adds a requirement to Section 8-1 that officers complete the financial disclosure form.

6. POLICY:

- 6-1. Acceptance. Active duty officers may accept the benefits from a fellowship, scholarship, or grant that comes from a corporation, fund, foundation, or educational institution only if the source is organized and operated primarily for scientific, literary, or educational purposes, and it awards the fellowship, scholarship, or grant:
- a. In recognition of outstanding performance in the officer's field;
 - b. To undertake a project that may be of value to the USPHS Commissioned Corps and/or related programs; and/or
 - c. For the development of the officer's recognized potential for future career service.
- 6-2. However, the benefits of such a fellowship, scholarship, or grant may be accepted by the officer, in addition to pay and allowances as a PHS officer, only to the extent that those benefits would be conferred upon that officer if the education or training funded by that fellowship, scholarship, or grant were instead provided at the expense of the United States.
- 6-3. In addition, if the benefit takes the form of providing travel, subsistence, or other expenses, the USPHS Commissioned Corps will reduce any payment to the officer that is made for the same purpose during the time when the external benefit is provided.
- 6-4. USPHS Commissioned Corps does not authorize officers to accept a fellowship, scholarship, or grant if this acceptance constitutes a conflict of interest, or creates the appearance of a conflict of interest with the USPHS Commissioned Corps or the Operating Divisions/Agencies/Programs to which the officer is assigned.
- a. PHS officers may not accept fellowships, scholarships, or grants when the entity that awards the fellowship, scholarship, or grant has interests that may be substantially affected by the performance or non-performance of the officer's official duties, or if the entity is an association or similar grouping of members, a majority of whom have such interests.
 - b. PHS officers may accept fellowships, scholarships, or grants upon a determination by the designated agency ethics official or designee that the officer's acceptance of the scholarship, fellowship, or grant is not likely to affect the integrity of the officer's official duties or that a reasonable person would not question the impartiality of the officer after they accepted the scholarship, fellowship, or grant, and that:
 - (1) The scholarship, fellowship, or grant is part of an established program of scholarships, fellowships, or grants that has written standards for choosing recipients and that is funded, wholly or in part, to ensure it may continue to award recipients on a regular basis; or
 - (2) The scholarship or grant is established for the benefit of PHS officers and recipients are selected pursuant to written standards approved by the Secretary of HHS.

7. RESPONSIBILITIES:

- 7-1. The Surgeon General (SG) is responsible for ensuring the day-to-day management of the USPHS Commissioned Corps and may issue a Personnel Operations Memorandum (POM), through the eCCIS, to address specific issues.

- 7-2. Under Executive Order 11079, the Secretary of HHS has the authority to prescribe regulations on the acceptance of a fellowship, scholarship, or grant. However, the law specifies that, to the extent practicable, such regulations shall be uniform among the armed forces and USPHS Commissioned Corps.
- 7-3. All payments made by a non-governmental entity to, or on behalf of, an officer, should be interpreted as coming from or on behalf of the USPHS Commissioned Corps (as if the USPHS Commissioned Corps, and not the non-government entity had made the payment).
- a. Each officer who accepts a fellowship, scholarship, or grant, must first agree in writing that, after completing the education or training, he/she will serve on active duty for a period at least three times the length of the period of the education or training funded by the fellowship, scholarship, or grant.
 - b. Officers may serve this active duty obligation (ADO) concurrent with other ADOs according to the rules in Commissioned Corps Instruction (CCI) 325.01, "Extramural and Intramural Training and Obligation."
 - c. Failure to fulfill the terms of the agreement will result in an indebtedness to the government in accordance with the terms of the agreement even if the education or training was funded by a third party and not the government, USPHS Commissioned Corps, or an Agency/OPDIV/Program.
8. PROCEDURES:
- 8-1. PHS officers who obtain a fellowship, grant, or scholarship to participate in training must apply through the form [1122-1 Application for Training](#) and its [supplement](#).
- a. On the application form, officers will note that they are receiving a fellowship, grant, or scholarship and provide information on its source. They also must attach documentation.
 - b. Instead of filling out the normal Form PHS-6373, "Extramural Training Agreement", officers will complete [Form PHS-7062, "Extramural Training Agreement \(Scholarships, Grants, Fellowships\)"](#)
 - c. Applicants must complete the remainder of the application as normal (following CCI 325.01 "Extramural Training").
 - d. Officers must also complete financial disclosure [Form 450](#) and include the fellowship, grant, or scholarship.
9. HISTORY: This is the first issuance of this Directive within the eCCIS.
- 9-1. CCPM CC45.2.4, "Fellowships, Scholarships and Grants for PHS Commissioned Officers," dated 7 August 2000.