Section A. Purpose and Scope

The INSTRUCTION sets forth regulations governing (1) the receipt of fellowships, scholarships, or grants by members of the U.S. Public Health Service (PHS) Commissioned Corps whose salary is funded from PHS appropriations; (2) the policy and assignment of responsibilities under which PHS commissioned 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 (3) the active-duty obligation (ADO) incurred by officers pursuant to such assignments. The regulations in this INSTRUCTION shall apply to officers in the PHS Commissioned Corps.

Nothing contained in these regulations shall be construed to comprise any legal actions or remedies which may be available to PHS against any commissioned officer who fails to fulfill an ADO with respect to PHS support received by the officer, prior or subsequent to the effective date of the regulations in this INSTRUCTION.

Section B. Authority

PHS commissioned officers are authorized to accept non-government sponsored fellowships, scholarships or grants under Section 221 (a)(9) of the PHS Act (42 U.S.C. 213a(a)(9)), (10 U.S.C. 2603) and also under the Executive Order No. 11079, January 25, 1963, designating the Secretary, Department of Health and
Human Services, to prescribe Regulations. This regulation will be implemented in INSTRUCTION 7, Subchapter CC25.2, of the Commissioned Corps Personnel Manual.

Section C. Provisions

A fellowship, scholarship, or grant may be made by a corporation, fund, foundation, or educational institution that is organized and operated primarily for scientific, literary, or educational purposes and the benefits thereof may be accepted by active duty officers:

1. In recognition of outstanding performance in his/her field;
2. To undertake a project that may be of value to the PHS and/or related programs; and/or
3. For development of his/her recognized potential for future career service.

However, the benefits of such a fellowship, scholarship, or grant may be accepted by the officer in addition to his/her pay and allowances only to the extent that those benefits would be conferred upon him/her if the education or training contemplated by that fellowship, scholarship, or grant, had been provided at the expense of the United States. In addition, if such a benefit, in cash or in kind, is for travel, subsistence, or other expenses, an appropriate reduction shall be made from any payment that is made for the same purpose to the member by the United States incident to his/her acceptance of the fellowship, scholarship, or grant.

Each officer who accepts a fellowship, scholarship, or grant, shall before he/she is permitted to undertake the education or training contemplated by that fellowship, scholarship, or grant agrees in writing that, after he/she completes the education or training, he/she shall serve on active duty for a period at least three times the length of the period of the education or training. All payments made to, or on behalf of an officer by a non-governmental entity, shall be construed to be by or on behalf of the PHS (as if the PHS made the payment). Failure to fulfill the terms of the agreement will result in an indebtedness to the government in accordance with the terms of the agreement.

Section D. Miscellaneous

1. Officers assigned to Operating Divisions/Agencies/Programs in which the acceptance of such fellowship, scholarship, or grant would constitute a conflict on interest, shall not be authorized to accept such.
2. A service obligation incurred as a result of acceptance of a Fellowship, Scholarship, or Grant may not be served concurrently with any other obligation.