



## Fact Sheet

# Frequently Asked Questions for Septic Financial Aid Program Applicants

The American Rescue Plan Act, passed in early 2021, provided funding to address economic recovery from the impacts of the COVID-19 pandemic and an opportunity to revitalize and rebuild communities. The Onsite Septic Financial Aid Program is a new opportunity utilizing these ARPA funds for eligible partner organizations to apply for funding from the Oregon Department of Environmental Quality to provide financial assistance to property owners and small businesses with old or failing septic systems.

Through a competitive proposal process, DEQ will provide pass-through grants to selected organizations in Oregon that will then provide grants and affordable loans to property owners. DEQ will prioritize projects that benefit low- and moderate-income property owners or others that have faced disparate hardship from the pandemic. DEQ will not directly fund property owners needing septic repairs.

## How do I know if my organization is eligible to apply for ARPA grants from DEQ?

The following organizations are eligible to apply for these funds through the Request for Grant Proposal (RFGP) process.

- Tribal Governments.
- Public agencies including local, state or federal agencies.
- Soil and water conservation districts.
- Council of governments, or COGs.
- Community development financial institutions, or CDFIs.
- Other eligible agencies as defined in [Oregon Revised Statute 190](#).

## Can my nonprofit 501(c)(3) organization apply if we partner with an eligible entity?

Only eligible organizations can directly apply for this funding opportunity, and the applicant organizations are directly responsible for complying with the subaward grant terms and conditions. Nonprofit organizations can partner with eligible organizations to assist with implementation of the financial aid programs. Nonprofits can assist with outreach, project administration, application review, or other functions. Proposals must clearly explain the responsibilities of the applicant organization and any partners.

## **Our project is for wildfire recovery, can we apply?**

Projects that are designated for areas impacted by either the 2020 or 2021 wildfire seasons will receive additional consideration for grant funds. Projects addressing these needs should follow the guidance in the RFGP to demonstrate how these needs will be met with the funding requested.

## **Our project is still in planning. Can we utilize these funds at a later date?**

Guidance from ARPA and DEQ for these funds require that they be fully obligated by June 2024 and fully spent by December 2026. Projects with timelines that do not match these deadlines should find alternate funding sources. DEQ is most interested in projects that will be shovel ready starting the 2023 construction season or sooner. Funding cannot be considered obligated for a project being completed outside of the obligation and expenditure deadlines.

## **Will DEQ consider disbursing funds to subawardees up front rather than reimbursement?**

DEQ prefers quarterly reimbursement. Alternatively, we will work with recipients on monthly reimbursements. Contact the single point of contact (SPC), the Onsite Financial Aid Program Analyst, for additional information.

## **Who are eligible beneficiaries?**

Generally, individual homeowners and small, essential businesses will be eligible for funding to repair or replace their septic systems from the recipients of the pass-through funding. Proposals should focus on demonstrable need within the service area and clearly specify the beneficiaries and the selection criteria.

## **Can my sewer district use these funds to repair or expand our sewer system?**

Qualified organizations can work with communities and homeowners to connect laterals to existing sewer. Funds can also be applied to decommissioning septic systems which are connected to existing community sewer. Funding from ARPA cannot be used to expand sewer districts or extend main lines.

## **Can my manufactured home community apply for these funds?**

Manufactured home communities cannot apply directly for these funds because they are not eligible entities. Eligible entities may apply for funds to assist these communities if the proposals meet criteria outlined in the request for grant proposal.

## **Can my organization issue loans or are only grants allowed?**

Organizations can issue loans or grants for their financial aid programs. DEQ will fund existing loan programs but not startup loan programs due to the complexity of issuing and servicing loans. Loan programs will have additional reporting and funding requirements, and your organization must demonstrate a track record of successfully administering a loan program.

## **How much of our award can be used for overhead and indirect costs?**

The U.S. Department of the Treasury allows indirect costs based on modified total direct costs. The allowable indirect rate is 10%, or the organization's federally negotiated rate. Indirect costs include things like shared rent, supplies and personnel not directly working with the program. For more information refer to [U.S. Treasury guidance](#).

## **What fees will OSFAP reimburse?**

The program will reimburse project costs such as site evaluations and permits directly associated with the installation of a new system. DEQ will not reimburse for general environmental assessments or other fees not commonly associated with permitting a repair or replacement system. Please note DEQ will reimburse recipients for completed septic repairs and replacements, after the certificate of satisfactory completion is issued by the permitting agent.

## **How quickly could an organization expect to be reimbursed for expenditures?**

Organizations should generally expect a reimbursement within 15 to 45 days of approval by DEQ of an invoice. The date of submission is not the date of approval and may be delayed until all submitted information is approved by the SPC. DEQ does not disburse funding during June to allow for end of year reconciliation.

## **What is the timeline for expenditures?**

Fund obligation and expenditure timelines are determined by ARPA and DEQ. Funds may be paid out to homeowners or contractors for eligible systems that were repaired or replaced between March 3, 2021, and when the program begins operation. Typically, homeowners are paid for work completed prior to a program beginning operation and contractors paid after that date. Programs must have documentation that all funding is obligated to projects by June 30, 2024 and must have spent all of the funds by December 2026.

## **Contact us**

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## **Alternate formats**

DEQ can provide documents in an alternate format or in a language other than English upon request. Call DEQ at 800-452-4011 or email [deqinfo@deq.oregon.gov](mailto:deqinfo@deq.oregon.gov).