

(d) \*[In other than Class F facilities, cooperative sober living residences, all]\* \*All\* statements and revised statements furnished pursuant hereto shall be signed by the owner or the duly authorized representative of the owner and shall stipulate the date of preparation.

#### 5:27-3.12 Limited tenure hotel guests

In other than Class F facilities, cooperative sober living residences, in the event that a hotel, motel, or established guest house is classified as a rooming or boarding house for purposes of the Act by reason of having fewer than 85 percent of the dwelling units offered for limited tenure only, a resident occupying such a unit on a limited tenure basis shall have the legal rights of a hotel guest and the rights set forth in section 3 of P.L. 1979, c. 500 (N.J.S.A. 55:13B-19) but shall not have any of the additional rights of residents established by this subchapter.

### SUBCHAPTER 4. GENERAL BUILDING REQUIREMENTS

#### 5:27-4.2 Facilities

(a) No change.

(b) Every cooperative sober living residence shall contain a full kitchen.

Recodify existing (b)-(f) as (c)-(g) (No change in text.)

#### 5:27-4.9 Matters not covered

In other than Class F facilities, cooperative sober living residences, any matter or requirement essential for the structural safety of a rooming or boarding house or essential for the safety or health of the residents thereof or of the public, and which is not covered by the provisions of this chapter, shall be the subject of determination by the Bureau in specific cases.

### SUBCHAPTER 6. SECURITY

#### 5:27-6.3 Criminal acts

(a) This section shall not apply to cooperative sober living residences.

Recodify existing (a)-(c) as (b)-(d) (No change in text.)

### SUBCHAPTER 7. RESIDENTS' COMFORT

#### 5:27-7.3 Living and dining rooms

(a) This section shall not apply to cooperative sober living residences.

Recodify existing (a)-(e) as (b)-(f) (No change in text.)

#### 5:27-7.4 Outdoor facilities and recreation

(a) This section shall not apply to cooperative sober living residences.

Recodify existing (a)-(c) as (b)-(d) (No change in text.)

### SUBCHAPTER 8. MAINTENANCE OF RECORDS

#### 5:27-8.1 Resident records

(a) This section shall not apply to cooperative sober living residences.

Recodify existing (a)-(e) as (b)-(f) (No change in text.)

#### 5:27-8.2 Financial records

(a) This section shall not apply to cooperative sober living residences.

Recodify existing (a)-(b) as (b)-(c) (No change in text.)

#### 5:27-8.3 Additional requirements

(a) This section shall not apply to cooperative sober living residences.

Recodify existing (a)-(b) as (b)-(c) (No change in text.)

#### 5:27-8.4 Record retention

(a) This section shall not apply to cooperative sober living residences.

Recodify existing (a)-(c) as (b)-(d) (No change in text.)

### SUBCHAPTER 9. FOOD AND LAUNDRY SERVICES

#### 5:27-9.1 Applicability

(a) This subchapter shall not apply to cooperative sober living residences.

Recodify existing (a)-(b) as (b)-(c) (No change in text.)

### SUBCHAPTER 10. OTHER PERSONAL SERVICES

#### 5:27-10.1 Applicability

(a) This subchapter shall not apply to cooperative sober living residences.

Recodify existing (a)-(b) as (b)-(c) (No change in text.)

### SUBCHAPTER 11. FINANCIAL SERVICES

#### 5:27-11.1 Applicability

(a) This subchapter shall not apply to cooperative sober living residences.

Recodify existing (a)-(b) as (b)-(c) (No change in text.)

### SUBCHAPTER 12. FIRE SAFETY LOANS

#### 5:27-12.1 Purpose; delegation to the Bureau

(a) This subchapter shall not apply to cooperative sober living residences.

Recodify existing (a)-(b) as (b)-(c) (No change in text.)

### SUBCHAPTER 13. ADDITIONAL RULES REGARDING PERSONS WITH ALZHEIMER'S DISEASE OR RELATED DISORDERS OR OTHER FORMS OF DEMENTIA

#### 5:27-13.1 Appropriate placement and care

(a) This subchapter shall not apply to cooperative sober living residences.

Recodify existing (a)-(i) as (b)-(j) (No change in text.)

### SUBCHAPTER 14. CARBON MONOXIDE ALARMS

#### 5:27-14.1 Carbon monoxide alarms

(a) Carbon monoxide alarms shall be installed and maintained in full operating condition in the following locations:

1. (No change.)

2. As an alternative to the requirements above, carbon monoxide alarms may be installed in the locations specified in the Uniform Construction Code (N.J.A.C. 5:23).

(b)-(c) (No change.)

(a)

## DIVISION OF LOCAL GOVERNMENT SERVICES LOCAL FINANCE BOARD

### Electronic Disbursements and Claimant Certification

#### Adopted Repeals and New Rules: N.J.A.C. 5:30-9A.4 and 9A.6

#### Adopted Amendments: N.J.A.C. 5:30-9A.1, 9A.2, 9A.3, 9A.5, and 9A.7 and 5:31-4.1 and 4.2

#### Adopted Repeal: N.J.A.C. 5:30-9A.8

Proposed: June 19, 2017, at 49 N.J.R. 1584(a).

Adopted: December 13, 2017, by Local Finance Board, Timothy J. Cunningham, Chair.

Filed: December 13, 2017, as R.2018 d.026, **with non-substantial changes** not requiring additional public notice and comment (see N.J.A.C. 1:30-6.3).

Authority: N.J.S.A. 40A:5-16.c and d, 40A:5-16.5, and 40A:5A-10.c.

Effective Date: January 16, 2018.

Expiration Dates: January 15, 2023, N.J.A.C. 5:30;  
July 18, 2018, N.J.A.C. 5:31.

#### Summary of Public Comments and Agency Responses:

Public comments, summarized below, were submitted by the following individuals: Mr. Gerald C. Seneski, Chief Financial Officer

and Treasurer of the County of Cumberland, Mr. John G. Donnadio, Esq., Executive Director of the New Jersey Association of Counties, Mr. Gerald Reiner, Purchasing Agent for the County of Bergen, and Michael P. Affuso, Esq., Executive Vice President/Director of Government Relations for the New Jersey Bankers Association (also known as NJ Bankers).

COMMENT: Mr. Gerald C. Seneski expresses on behalf of the Government Finance Officers Association of New Jersey full support and endorsement of the Local Finance Board's rule proposal. The regulations are comprehensive and very well written, allowing local units to utilize current technology for electronic payment of claims while ensuring sufficient internal accounting control. Moreover, the regulations fulfill the legislative purpose of both P.L. 2016, c. 29 and the earlier P.L. 2000, c. 126.

As proposed, N.J.A.C. 5:30-9A.4 sets forth specific baseline controls and requires the establishment of standard procedures designed to mitigate risk. Proposed N.J.A.C. 5:30-9A.6 is an overdue measure that provides local units with flexibility in whether and how to implement claimant certification (a vendor/claimant certifying that the invoice they have provided is correct). This change is necessary to ensure local units have the flexibility to pay claims electronically. Although historically there has been certain resistance to relaxing the claimant certification requirement, N.J.A.C. 5:30-9A.6 does not mandate that a local unit eliminate claimant certification. In any case, speaking from the commenter's perspective as a Certified Public Accountant and Registered Municipal Accountant, claimant certification cannot be relied upon as an internal control measure to mitigate risk of fraud or misappropriation. Rather, the control properly lies with the responsible person within the local unit to certify the receipt of goods and services. It is not uncommon for a vendor's accounts receivable clerk to sign such a certification without having any knowledge of the transaction. Claimant certification is unique to New Jersey local government and is not embraced by private industry, the State of New Jersey, or other governments throughout the country because it is an inefficient, time consuming process that is ineffective as an internal accounting control measure.

RESPONSE: The Local Finance Board greatly appreciates the commenter's thoughtful support of the rule proposal authorizing local governments to utilize electronic means of paying claims. With respect to claimant certification, subsection c of N.J.S.A. 40A:5-16 authorizes the Board to set forth procedures under which a local unit can pay claims without first requiring a certification of the party claiming payment. Such circumstances "may include, *but shall not be limited to*" those such as payments for goods or services made through a computerized electronic transaction (emphasis added). Together with the recently enacted P.L. 2016, c. 129, codified as N.J.S.A. 40A:5-16.5, the Board has clear statutory authorization to permit local units the flexibility to craft a policy on claimant certification that accounts for circumstances when a claimant does not provide such certification as part of its normal course of business. The Board notes for clarity that N.J.A.C. 5:30-9A.6 would not apply to school districts, whose procedures regarding claimant certification are addressed under N.J.S.A. 18A:19-3 and rules promulgated by the New Jersey Department of Education.

COMMENT: John G. Donnadio, Esq., expressed on behalf of the New Jersey Association of Counties' Board of Directors support of the Local Finance Board's rule proposal. The Association endorses the proposed rule changes as they will provide local governing bodies with a wide range of contemporary payment alternatives, such as wire transfers and Automated Clearing House (ACH) payments that will streamline the bill paying process and establish important internal controls accordingly. The benefits of using these modern payment alternatives include reduced printing and processing costs, enhanced security, increased productivity, and improved cash management. The Association also supports permitting local governing bodies to eliminate the burdensome claimant certification process for certain contracted goods and services. This antiquated process utilizes valuable staff time, has little value in preventing fraud, and substantially decreases the timeliness of payments. The Association commends the Local Finance Board for proposing rules that capture the intent of P.L. 2016, c. 29 and modernize the manner in which local governing bodies can conduct business.

RESPONSE: The Local Finance Board appreciates the supportive comments submitted on behalf of the New Jersey Association of Counties.

COMMENT: Mr. Gerald Reiner endorses the Local Finance Board's proposed rule changes. As a member of the committee organized for the purposes of this rule change, the commenter believes that the rules will bring local governments in line with general business practices.

RESPONSE: The Local Finance Board appreciates the supportive comments submitted by Mr. Reiner, as well as his input in the drafting of the proposed regulations.

Michael P. Affuso, Esq. argued that the proposed regulations may have made the process for using standard electronic funds transfer technologies more difficult and that certain provisions would impose unnecessary burdens on banks, offering the following concerns which are summarized below along with the Board's responses thereto.

COMMENT: The definition of "Electronic Funds Transfer and Indemnification Agreement" in proposed N.J.A.C. 5:30-9A-2, along with the requirement in proposed N.J.A.C. 5:30-9A.4(a)11i that all electronic funds transfers through ACH "must utilize electronic data exchange ("EDI") technology and be subject to" said Agreement, could potentially result in a violation of the National Automated Clearing House Association (NACHA) rules that apply to all transfers through the Automated Clearing House (ACH) system. While banks do offer EDI technology, this requirement does not include the requirement that there be ACH Origination agreements provided as well. ACH Origination agreements include extensive terms and conditions related to the indemnification provided and required for all parties which may be in conflict with the proposed Electronic Funds Transfer and Indemnification Agreement contemplated here. As NACHA rules are not subject to change, a local unit bound by this rule may be forced to choose between complying with the NACHA rules and complying with the State regulation. Greater clarity is needed regarding what is contemplated by this requirement, including a corresponding update to the definition of "Electronic Funds Transfer and Indemnification Agreement."

RESPONSE: The Board does not find that the definition of "Electronic Funds Transfer and Indemnification Agreement" as set forth in the rule creates an inherent conflict with NACHA rules that apply to ACH payments. An ACH Origination Agreement would qualify as such an agreement. Further, the use of EDI technology in ACH transactions provides greater efficiency and data accuracy. Finally, the Board anticipates that the Director of the Division of Local Government Services will issue technical guidance that will explain the operation of the regulations and provide interpretation as necessary.

COMMENT: Although the proposed definition of "standard electronic funds transfer technologies" as proposed in N.J.A.C. 5:30-9A.2 is almost identical to the definition set forth in N.J.S.A. 40A:5-16.5.c, a greater degree of specificity is needed so that it is clear that ACH transfers and purchases with procurement cards will be subject to completely separate sets of standards and requirements. While there are items within the proposed definition that reference the difference between ACH transfers and procurement cards, this particular definition is unclear and may lead to improper requirements being placed on either ACH transfers or procurement cards.

RESPONSE: N.J.S.A. 40A:5-16.5 authorizes the Local Finance Board to enact regulations pertaining to electronic funds transfer technologies generally. The proposed regulations set forth specific requirements for specific electronic funds transfer technologies such as ACH transfers, procurement cards, and charge cards, along with other requirements that are applicable generally for various types of technologies. As stated above, the Board anticipates that the Director of the Division of Local Government Services will issue technical guidance that will explain the operation of the regulations and provide interpretation as necessary.

COMMENT: As proposed, N.J.A.C. 5:30-9A.4(a)3 would require standard electronic funds transfer technologies to incorporate as a feature and safeguard the ability to confirm receipt of payment by vendor. As a general rule, the services for which local governmental entities will be contracting are strictly to provide the ability to send a payment. Payments can be refused by the vendors which these local government entities are paying for any number of reasons. As a result, confirmation of these payments should rightfully be a matter to be resolved between the local government entity and the vendor. Once a payment has been authorized and sent, any confirmation will be dependent on the receiving vendor and should be confirmed by them.

RESPONSE: The Board finds that standard electronic funds transfer technologies should incorporate a method or methods by which a local unit and its auditor can verify that a payment is not being diverted to an individual or entity other than that authorized to receive the payment. Inability to verify the destination of the payment exposes the possibility of human error or fraud. If, when reviewing transactions, the auditor could only see on a bank statement a debit amount and a reference number, the auditor would be unable to ascertain where the money went. While the amount could be traced back to supporting documents, the auditor could not determine whether or not the wire went to the vendor listed in the supporting documents. Auditors would thus need to require additional individual transactional confirmations at increased costs to the clients. Further, such individual transactional confirmations generally do not result in response rates that allow for reliability and second notices are usually required. In the context of a wire transfer or an ACH debit description, the bank posting the name of the vendor based upon the routing number for the transaction (rather than a name provided by the municipality) as part of the transaction description would provide an adequate audit trail, allowing a local unit's auditor to confirm that funds are not being improperly diverted. Further technical guidance can be provided by the Division of Local Government Services as necessary with respect to this provision.

COMMENT: As proposed, N.J.A.C. 5:30-9A.4(a)4 would require standard electronic funds transfer technologies to incorporate as a feature and safeguard the ability to bar automatic debits from local unit accounts. While specific ACH and procurement card payments may be prevented, as well as payments to specific entities or entire categories of payments, the ability to prevent an automatic debit may not be possible as there would be no guarantee the bank would be aware of which authorized payments are automatic and which are not. Establishing an automatic debit is something that would occur between the governmental entity and their vendor. Additionally, most payments for electronic funds transfer services are made by debiting an account at the bank which might also be considered an automatic debit. A more specific definition of the term "automatic debit" is needed as well as a placement of the onus to prevent automatic debits on the local governmental entities themselves.

RESPONSE: The purpose of N.J.A.C. 5:30-9A.4(a)4 is to ensure that local units initiate each and every individual payment transaction, and that vendors not be permitted to unilaterally debit funds from local unit accounts. The Board agrees with the commenter that banking customers can make a one-time agreement with individual vendors to debit their account on a continuous basis at a set interval (for example, monthly or quarterly), but N.J.S.A. 40A:5-16 and 17, along with 18A:19-4.1, bar local units and school districts from entering into such arrangements by prohibiting the disbursement of funds without prior authorization for the individual transaction. Local Finance Board regulations adopted pursuant to N.J.S.A. 52:27D-20.1 only permit third-parties to make disbursements from local unit accounts for the limited purposes of payroll and utility bill payment, and such accounts must be dedicated solely for that purpose. Even under those limited circumstances, local unit deposits into such dedicated accounts must still be individually authorized by the local unit or school district pursuant to N.J.A.C. 5:30-17.4. As such, the ability to bar automatic debits in the banking context means that each individual disbursement to a vendor must be preceded by the local unit transmitting instructions to the bank to make said disbursement. Further technical guidance can be provided by the Division of Local Government Services as necessary with respect to this provision.

COMMENT: As proposed, N.J.A.C. 5:30-9A.4(a)7 would require standard electronic funds transfer technologies to incorporate as a feature and safeguard measures to mitigate risk of duplicate payment. While there are some measures available to prevent the processing of duplicate ACH files, the risk of a duplicate payment is not something that can be automated as part of the provision of either ACH or procurement card services. Provided a payment has been properly authorized in accordance with a bank's security procedures, there is no way for any bank to be certain that a payment is a true duplicate, rather than just two payments that happen to be the same amount for the same vendor. While a bank can assist preventing duplicate payments by providing ready access to online statements and payment information, the responsibility

for preventing duplicate payments should rightfully belong to the local governmental entity.

RESPONSE: The commenter correctly observes that the responsibility for implementing internal controls to reduce the risk of duplicate ACH transfers primarily lies with the local government entity; however, the rule would require banks to mitigate the risk of a single payment being processed more than one time.

COMMENT: As proposed, N.J.A.C. 5:30-9A.4(a)10 would require financial institutions to provide annual evidence of satisfactory internal control to a local unit's chief financial officer, specifically in the form of an unqualified Service Organization Control (SOC) 2 engagement. NJ Bankers submits that the internal controls required under the new statute are mandated for the local unit and not the banks providing such services since banks are already highly regulated in this area. Further, proposed N.J.A.C. 5:30-9A.4(a)10 and 11 appear to commingle payments made through procurement cards and ACH together and, as a result, makes the regulation confusing as drafted.

Financial institution internal controls are subject to review during regulator examinations as to the institution's processing architecture, including processing outsourcing arrangements; physical and logical access controls in the data entry area, data center, and item processing operations; network controls; and the inventory of computer hardware, software, and telecommunications protocols used to support check item processing, EFT/POS and ACH transaction processing, bankcard issuance and acquiring transaction services. A bank's business continuity, crisis/incident management protocols, and disaster recovery plans are documented, exercised, and tested, the results of which are subject to regular independent audit. Some banks do not obtain a periodic SOC 2 or SSAE 16 audit; however, pursuant to Section 404 of the Sarbanes-Oxley Act, many independent auditors have audited the effectiveness of banks' internal controls over financial reporting, the results of which are publicly available as part of their consolidated financial statements. Further, financial institutions' electronic funds transfer (EFT) programs are designed to meet the requirements of various national and international regulatory and supervisory agencies. Lastly, NJ Bankers believes that disclosure of an institution's internal controls, even to a local unit's CFO, may ultimately subject the document outlining the controls to disclosure under the Open Public Records Act (N.J.S.A. 47:1A-1 et seq.).

RESPONSE: The Board maintains that N.J.S.A. 40A:5-16.5 permits the promulgation of regulations requiring financial institution providers of standard electronic funds transfer technologies to provide local units with evidence of satisfactory internal control as pertains to electronic funds transfers. However, upon further consideration, the Board will not incorporate into the adopted rule the requirement that such evidence be in the form of a Service Organization Control (SOC 2) report. Financial institutions are subject to a wide variety of State and Federal regulations governing myriad aspects of their operations. Regulations requiring financial institutions to undertake a specific type of audit should be considered in conjunction with the New Jersey Department of Banking and Insurance, among other relevant agencies. The Board notes that the New York State Department of Financial Services has recently adopted regulations setting forth cybersecurity requirements for financial services companies. Requiring financial institutions to conduct a specific audit which encompasses operations beyond the handling of local unit EFT transfers would exceed the scope of N.J.S.A. 40A:5-16.5 and potentially reduce the number of financial institutions offering EFT services to New Jersey local units. The means of demonstrating satisfactory internal control should be flexible and left to the agreement between the local unit and the financial institution. The local unit would have the latitude to require a SOC 2 audit report or alternate evidence such as, but not limited to, International Standards Organization (ISO) certification.

As to the risk that a disclosure of financial institution internal controls would be subject to the Open Public Records Act (OPRA) once provided to the local unit, the Board points out that provisions of N.J.S.A. 47:1A-1.1 are relevant and could exempt such information from the definition of a public record under OPRA.

COMMENT: As proposed, N.J.A.C. 5:30-9A.4(a)11iii would require that each edit to vendor ACH information be approved by a separate

individual, and be logged showing the user editing the data, date stamp, IP address, and the approval of the edit. Typically, access to ACH templates can be restricted based on the user, but not based on the template. Additionally, dual approval can be implemented for template updates. Finally, banks are generally able to offer audit trails of the user, date/time, IP address, and approver in these reports. However, this type of control/monitoring may not be provided as it relates to updates done via data transmission. As with other requirements related to internal approvals, it would be more appropriate for the local governmental entities to have these requirements placed on them as they will be closest to the approval process and best equipped to maintain security and monitoring related to access.

**RESPONSE:** Local units should avail themselves of any built-in technology that pertains to the tracking and approval of any edits to ACH data. To the extent that the technology being utilized does not log such editing and approvals, a separate log shall be kept such that a satisfactory audit trail is created.

**COMMENT:** As proposed, N.J.A.C. 5:30-9A.4(a)1iv would prohibit any ACH file that is in plain text format from being stored on a local computer past the time transmitted to a bank. This responsibility should only fall on the local government entity and should not be included in the conditions placed on the services. Only the local government entity will have access to these files.

**RESPONSE:** The responsibility for ensuring that a plain text ACH file is not stored on a local computer past the time transmitted to a bank would lie with the local unit.

#### Federal Standards Statement

No Federal standards analysis is required because the rule is not being adopted in order to implement, comply with, or participate in any program established under Federal law or under a State law that incorporates or refers to Federal law, standards, or requirements.

**Full text** of the adoption follows (deletions from proposal indicated in brackets with asterisks \*[thus]\*):

### CHAPTER 30 LOCAL FINANCE BOARD

#### SUBCHAPTER 9A. ELECTRONIC DISBURSEMENTS AND CLAIMANT CERTIFICATION

##### 5:30-9A.1 Purpose

The rules in this chapter set forth standards for local units, local authorities, boards of education, and county colleges to follow when using standard electronic funds transfer technologies for the payment of claims pursuant to N.J.S.A. 40A:5-17 and 18A:19-2 or other applicable law in lieu of payment through the use of signed checks or warrants. The rules in this chapter implement minimum fiscal and operational controls applicable to a standard electronic funds transfer technology as a condition of its use by a local unit, local authority, board of education, or county college, thereby mitigating the potential for fraud and abuse in electronic transfer of funds.

##### 5:30-9A.2 Definitions

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise:

“Authorized procurement card user” means the individual employee of the local unit, local authority, or county college authorized by the chief administrative officer to make transactions using a procurement card and whose name physically appears on the procurement card.

“Automated clearing house (ACH) transfer” means an electronic funds transfer initiated by the local unit, local authority, board of education, or county college authorizing a banking institution to push funds from the entity’s bank account(s) into a vendor or claimant’s bank account, executed through the automated clearing house (ACH) electronic clearing and settlement system used for financial transactions.

“Board of education” means a board of education as defined by the “Public School Contracts Law,” N.J.S.A. 18A:18A-1 et seq. The phrase “board of education” shall include a renaissance school project as defined in the Urban Hope Act (N.J.S.A. 18A:36C-1 et seq.) for purposes of this chapter.

“Charge account” or “charge card” means an account, linked to a credit card issued by a specific vendor to which goods and services may be charged on credit, that must be paid when a statement is issued.

“Chief administrative officer” or “chief executive officer” means the appointed employee who oversees the day-to-day administrative affairs of the local unit, local authority, or county college including, but not limited to, the following titles: business administrator, administrator, township or city manager, executive director, or president. For boards of education, the appointed employee shall be the chief school administrator. In the absence of an appointed chief administrative officer, the person designated by law or the governing body to manage the day-to-day administrative affairs of the entity shall assume the administrative responsibilities set forth in this subchapter.

“Chief financial officer” or “CFO” means the official designated by the governing body to be responsible for the proper administration of the finances of the local unit, local authority, or county college under any statutes and such rules promulgated by any State agency as may pertain to the financial administration of said entities. For boards of education, the appointed employee shall be the school business administrator.

“Claimant certification” or “vendor certification” means a certification pursuant to N.J.S.A. 40A:5-16.a, presented by the person claiming or receiving payment, that a detailed bill of items or demand is correct with regard to all particulars.

“Contract” means the written agreement entered into by a local unit, local authority, or county college and an authorized procurement card user for the purposes authorized in this chapter.

“County college” means county college as defined by the “County College Contracts Law,” P.L. 1982, c. 189 (N.J.S.A. 18A:64A-25.1 et seq.).

“Disbursement” means any payment of moneys, including any transfer of funds, by any means.

“Electronic funds transfer” means any method of transferring moneys permitted by this rule that does not involve the physical presentation of a paper check, draft, or similar paper instrument including, but not limited to: wire transfers, e-checks, automated clearing house (ACH) transfers, and transactions initiated by phone or fax.

“Electronic data interchange (EDI)” means technology that provides transaction related details, including invoice number(s), pay dates, and other identifying information as appropriate for each transaction.

“Electronic Funds Transfer and Indemnification Agreement” means a signed legally binding indemnification agreement renewed on an annual basis between a local unit, local authority, board of education, or county college and a banking institution authorized to conduct business in New Jersey, which authorizes that institution to access bank accounts for the purpose of conducting electronic funds transfers through the automated clearing house (ACH) operating system.

“Governing body” means the board, commission, council, administrator, or other body by whatever name it may be known having control of the finances of the local unit, local authority, board of education, or county college. In those entities where a chief executive officer is authorized by law to participate in such control through powers of recommendation, approval, or veto, the term includes such chief executive officer to the extent of such participation.

“Internal controls” mean fiscal and operational controls that ensure safe and proper use of a standard electronic funds transfer system and mitigate the potential for fraud and abuse. For purposes of this chapter, internal controls shall include technological safeguards and cybersecurity practices, as well as processes affected by the governing body, management, and other personnel establishing fiscal and operational controls that reduce exposure to risk of misappropriation.

“Issuer” means the financial institution that has issued a procurement card, provides services, billings, and statements in support of a procurement card or receives payments in satisfaction of obligations created from the use of a procurement card. For purposes of these rules, issuer includes intermediary transfer agents who participate in the process of implementing electronic funds transfers on behalf of the local unit, local authority, or county college.

“Local authority” means an entity subject to the Local Authorities Fiscal Control Law, N.J.S.A. 40A:5A-1 et seq.

“Local unit” means a local unit as defined in N.J.S.A. 40A:5-2.

“National Automated Clearing House Association (NACHA) file” means a file, formatted to National Automated Clearing House Association (NACHA) specifications, which contains instructions for transferring funds between accounts.

“Payment documentation” means such documentation, including evidence of approvals and certifications, as is required by N.J.S.A. 40A:5-16.b, 40A:5-17, and 18A:19.1 et seq., and this chapter prior to the legal paying out of moneys.

“Procurement card” or “P-card” means an account or the physical card that represents an account governed by characteristics specific to a procurement card. These characteristics include limits of time, amount, access, and purchase category controlled by the local unit, local authority, or county college in accordance with an agreement with an issuer. While such cards may have the appearance of a credit card, such as Visa™, MasterCard®, American Express, or Discover, such general-purpose cards do not feature the controls that procurement cards have and as such are not permitted under these rules.

“Program manager” means an individual possessing a Qualified Purchasing Agent certification from the Division of Local Government Services who is responsible for day-to-day oversight and management of procurement card usage.

“Reconciliation of activity” means the process used to determine that all transactions utilizing standard electronic funds transfer technologies are accurate, authorized and allocable to encumbered appropriations.

“Standard electronic funds transfer technologies” mean technologies that facilitate the transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, initiated by means such as, but not limited to, an electronic terminal, telephone, computer or magnetic tape for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account, and incorporate, at a minimum, internal controls set forth in rules promulgated by the Local Finance Board. No general purpose credit or debit card shall be considered a standard electronic funds transfer technology.

“Supervisory review” means the process performed by an individual in a supervisory capacity to confirm the propriety and accuracy of standard electronic funds transfer technologies use initiated by subordinates.

“Transaction” means any activity that may result in demand for payment.

5:30-9A.3 Authorization to use standard electronic funds transfer technologies for electronic funds transfers

(a) The governing body of a local unit, local authority, board of education, or county college may adopt policies that permit its specifically named officers and employees to use standard electronic funds transfer technologies for electronic funds transfers, except that boards of education may not utilize procurement cards, charge cards, or charge accounts. Such policies shall be in writing and shall be approved by resolution or ordinance of the governing body, as appropriate. No governing body may adopt policies that fail to implement, at a minimum, the internal controls set forth in this chapter.

(b) This section does not authorize local units, local authorities, boards of education, or county colleges to exceed the maximum bid thresholds or other limits set forth in the Local Public Contracts Law, N.J.S.A. 40A:11-1 et seq., Public School Contracts Law, N.J.S.A. 18A:18A-1 et seq., or the County College Contracts Law, N.J.S.A. 18A:64A-25.1 et seq.

(c) Procurement card issuers and providers of ACH and wire transfer services are to be financial institutions chartered by Federal or State authority. ACH and wire transfer services must be provided by a financial institution covered by the Governmental Unit Deposit Protection Act, N.J.S.A. 17:9-41 et seq.

(d) (No change in text.)

5:30-9A.4 Standard electronic funds transfer technologies; internal controls and conditions for use

(a) Local units, local authorities, boards of education, and county colleges shall only initiate and approve electronic funds in accordance with this subchapter. Standard electronic funds transfer technologies shall incorporate, at minimum, the following features and safeguards:

1. The ability to designate specific individuals able to initiate disbursements, barring those not authorized to initiate disbursements from doing so;

2. The ability to designate individuals who may authorize disbursement, and segregate initiation and authorization functions. Password or other security controls shall be in place to restrict access based on an individual’s authorized role;

3. The ability to confirm receipt of payment by vendor;

4. The ability to bar automatic debits from local unit accounts;

5. The ability for appropriate officials to view transaction history, generate activity reports, and conduct supervisory reviews of all transactions;

6. The ability to backup transaction data and store such data offline;

7. Measures to mitigate risk of duplicate payment;

8. The creation and maintenance of an audit trail, such that transaction history, including demands for payment and payment initiation, authorization, and confirmation, can be independently tracked and detailed through the use of an electronic data interchange or functional equivalent;

9. The following cybersecurity best practice framework shall be followed:

i. Any system supporting a standard electronic funds transfer technology shall:

(1) Be hosted on dedicated servers or in a FedRAMP Moderate Impact Level Authorized Cloud. When using cloud services, the vendor shall check provider credentials and contracts;

(2) Encrypt stored and transmitted financial information and personal identification information;

(3) Maintain only critical personal identification information. Social Security numbers shall not be utilized as identification numbers for system purposes;

(4) Employ a resilient password policy;

(5) Undergo regular and stress testing;

(6) Have regular security updates on all software and devices carried out;

(7) Have back-up plans, information disposal, and disaster recovery procedures created and tested;

(8) Undergo regular security risk assessments for detecting compromises, along with regular monitoring for vulnerabilities, with necessary patches and updates being implemented; and

(9) Develop a Cybersecurity Incident Response Plan; and

ii. The managing organization shall:

(1) Check provider credentials and contracts when using cloud services;

(2) Educate staff in good security measures and perform employee background checks; and

(3) Create a computer security incident response team, generally called a CSIRT;

10. Financial institution providers of standard electronic funds transfer technologies shall provide annual evidence of satisfactory internal control to the chief financial officer\*. Such evidence must be in the form of an unqualified auditor’s report issued pursuant to the performance of a Service Organization Control (SOC) 2 engagement based upon the existing Trust Services Principles (WebTrust™ and SysTrust™) carried out in accordance with AT 101, with the ability to test and report on the design effectiveness (Type I) and operating effectiveness (Type II) of the financial institution’s controls]\*;

11. ACH payments shall follow rules set forth by the National Automated Clearing House Association (NACHA) or an equivalent successor banking industry standard. In addition, the following safeguards shall be instituted:

i. All electronic funds transfers through the ACH must utilize electronic data exchange (EDI) technology and be subject to an Electronic Funds Transfer and Indemnification Agreement;

ii. A user that can generate an ACH file shall neither have upload rights nor access that permits editing of a vendor routing number or vendor account number;

iii. Each edit to vendor ACH information shall be approved by a separate individual and be logged showing the user editing the data, date stamp, IP address, and the approval of the edit;

iv. Any ACH file that is in plain text format shall not be stored on a local computer past the time transmitted to a bank; and

v. If supported by the financial institution of a local unit, local authority, board of education, or county college, said entities shall avail themselves of the ability to recall ACH payments via NACHA file;

12. A charge account or charge card issued by a specific vendor, which can only be utilized for goods and services provided by said vendor, may be utilized by local units, local authorities, and county colleges, but must incorporate the following safeguards:

i. Outstanding balances shall be required to be paid in full each month. No local unit shall utilize revolving charge cards;

ii. Allows the local unit, local authority, or county college to designate specific employees authorized to utilize the charge account or card and track purchases by individual user;

iii. Allows dollar amount limits to be placed on each single purchase; and

iv. Provides the ability to receive itemized statements and pay by invoice; and

13. No charge account or charge card issued by a specific vendor may be utilized for travel or dining expenses.

(b) The governing body of a local unit, local authority, board of education, or county college may only utilize standard electronic funds transfer technologies upon instituting, at a minimum, the following fiscal and operational controls:

1. The appropriate administrative ordinance or resolution shall be adopted authorizing the policies and procedures governing the use of standard electronic funds transfer technologies consistent with this subchapter;

2. The CFO shall ensure that the minimum internal controls set forth in this chapter, along with those internal controls set forth in the policies and procedures of the local unit, local authority, board of education, or county college are in place and being adhered to;

3. Initiation and authorization roles shall be segregated, and password-restricted. The CFO shall be responsible for authorization of all electronic funds transfers, unless the transfer was initiated by the CFO. If the CFO initiates an electronic funds transfer, another officer designated by the governing body that is not under the supervision of the CFO shall be responsible for authorization of the transfer. A backup officer may be designated in the event the CFO or chief administrative officer are unavailable. All payment of claims ordinances or resolutions enacted pursuant to N.J.S.A. 40A:5-17.b shall, at a minimum, comply with the provisions of this section. This section shall not be interpreted to prevent a local unit, local authority, board of education, or county college from requiring more than one officer to authorize an electronic funds transfer.

i. For counties organized pursuant to the provisions of the Optional County Charter Law, N.J.S.A. 40:41A-1 et seq., unless otherwise set forth in an ordinance adopted pursuant to N.J.S.A. 40A:5-17.b that provides a method of disbursing moneys or payment of claims, any electronic funds transfer shall be initiated by the chief executive officer.

ii. For counties not organized pursuant to the provisions of the Optional County Charter Law, N.J.S.A. 40:41A-1 et seq., unless otherwise set forth in a resolution adopted pursuant to N.J.S.A. 40A:5-17.b that provides a method of disbursing moneys or payment of claims, any electronic funds transfer shall be initiated by the clerk of the freeholder board.

iii. Unless otherwise set forth in an ordinance adopted pursuant to N.J.S.A. 40A:5-17.b that provides a method of disbursing moneys or payment of claims, any electronic funds transfer by a municipality shall be initiated by the mayor or other chief executive officer, and authorized by the municipal clerk in addition to the chief finance officer.

4. No local unit, including a county college, shall disburse funds unless the goods and services are certified as having been provided pursuant to N.J.S.A. 40A:5-16.b, unless otherwise permitted pursuant to N.J.S.A. 40A:5-16.c(1) and this subchapter;

5. Each bill list approved or ratified by the governing body shall indicate the type of standard electronic funds transfer technology that has been or will be utilized in paying the claim, along with a reference that permits tracking;

6. On no less than a weekly basis, activity reports on all transactions utilizing standard electronic funds transfer technologies shall be

reviewed by the CFO or another individual under the supervision of the CFO, and in the case of a board of education, an individual appointed by the governing body on an annual basis that is not under the direct supervision of the CFO and is not empowered to initiate or authorize electronic funds transfers. Reconciliation shall be performed on a regular basis. Any activity reports generated by the CFO shall be monitored by another officer, designated by the governing body, who is not under the supervision of the CFO;

7. A user that uploads an ACH file shall check the amounts and recipients against a register displaying ACH payments; and

8. For a charge account or card issued by a specific vendor, a local unit, local authority, or county college shall:

i. Issue a monthly purchase order for each individual charge account or card authorizing a maximum amount that can be expended each month;

ii. Designate specific employees able to utilize the account or card;

iii. Require billing by invoice;

iv. Pay the outstanding balance in full each month; and

v. Establish policies and procedures for use, such as are required for procurement card usage pursuant to N.J.A.C. 5:30-9A.7, except that the designation of a program manager shall not be required.

#### 5:30-9A.5 Procurement card limit and control requirements

(a) A procurement card differs substantially from a credit card issued by a financial institution because of the controls that may be exercised on its use. Before selection of an issuer (and in addition to consideration of fees and rebates, software and computer requirements, and accessibility to the vendor), the following limits and controls shall be incorporated into the procurement card program:

1.-6. (No change.)

#### 5:30-9A.6 Claimant certification; when payment can be made without claimant certification

(a) A certification pursuant to N.J.S.A. 40A:5-16.a that a bill or demand is correct must either feature an original signature, signature stamp, facsimile signature, or electronic signature of the individual making the certification.

(b) For boards of education, claimant certification shall be in accordance with the provisions of N.J.S.A. 18A:19-3.

(c) For a local unit, including a county college, payments may be made without certification by the vendor or claimant as to the bill or demand being correct under the following circumstances:

1. When payment to vendors is required in advance of the delivery of the following materials or services, if those materials or services cannot be obtained from any other source at comparable prices, including:

i. For such purposes as may be permitted pursuant to N.J.S.A. 40A:5-16.2 and 16.3;

ii. Payment obligations to the State or Federal governments;

iii. Membership in a nonprofit organization;

iv. Educational courses, including, but not limited to, those where continuing education credits are awarded;

v. Registration for a conference or convention sponsored by a nonprofit organization; and

vi. Website hosting, including registration and maintenance of a domain name;

2. When ordering, billing, and payment transactions for goods or services are made through a computerized electronic transaction utilizing standard electronic funds transfer technologies; and

3. Where the local unit institutes a standard policy through resolution or ordinance, as appropriate, to not require a vendor or claimant certification if said vendor or claimant does not provide, as part of its normal course of business, a certification from an individual with knowledge of the transaction that a bill or demand is correct. In instituting such a policy, the local unit shall have the discretion to require vendor or claimant certification as the local unit deems necessary or appropriate.

(d) The provisions of (c)2 and 3 above shall not apply to the reimbursement of employee expenses or payment for personal services.

1. No employee expense shall be reimbursed, unless the employee provides a detailed statement, certified in writing by the employee, along with documentation in support of each expense.

2. For purposes of this section, a “personal service” shall be a service provided exclusively and entirely by the individual seeking payment.

(e) Vendor or claimant certification shall not be required as a condition for payment to be made for debt service or any services set forth under N.J.S.A. 40A:5-16.d.

5:30-9A.7 Policies and practices governing use of procurement cards; audit

(a) The local unit, local authority, or county college shall establish the following procedures to ensure that the use of procurement cards is governed by sound fiscal and management controls:

1. (No change.)

2. Procurement cards shall be issued in the name of a specific individual. Said individual, upon completion of the requisite training, shall complete and sign a contract of understanding that includes financial responsibility for misuse of the procurement card. A card shall not be issued unless it can be shown that such issuance is necessary for the conduct of ongoing operations in the normal course of providing government services;

3. Under no circumstance shall procurement cards be utilized for personal use. Procurement cards shall not be used for travel and dining expenses for government employees, volunteers, or officials. Existing law, N.J.S.A. 40A:5-16.1, provides mechanisms for employees to receive travel and expense funds in advance. Subject to the authorization process and limits of this subchapter, procurement cards may be used by a Qualified Purchasing Agent of a county, or the County Sheriff or County Prosecutor if authorized by a resolution or ordinance of the governing body of the county, to arrange for travel, room, and board expenses of defendants, witnesses, or experts required for matters before the courts. This section shall not be interpreted to bar the use of procurement cards for the cost of educational courses, or registration for conferences and conventions sponsored by a nonprofit organization;

4. A procurement card is not to be issued to an individual who is neither covered by a fidelity bond nor by a blanket honesty policy held by the local unit, local authority, or county college, and shall be cancelled if a person to whom a procurement card is issued becomes ineligible for coverage under the fidelity bond or blanket honesty policy; and

5. (No change.)

(b) The chief administrative officer, in consultation with the chief financial officer and the program manager, if that individual is someone other than the chief financial officer, will identify positions within the organizational structure that will benefit from the use of a procurement card and establish limits by amount, period (time), and category of usage permissible. Under the supervision of the chief financial officer, the program manager shall develop and administer a supervisory review process, as well as engage in any other oversight or management duties required to ensure the proper usage of procurement cards. The chief financial officer or an individual under the supervision of the chief financial officer other than the program manager shall be responsible for reconciliation of activity.

(c) The program manager, subject to the supervision of the chief financial officer if the program manager is someone other than the chief financial officer, is responsible for the identification, analysis, and management of all risks associated with the use of procurement cards.

(d) The local unit, local authority, or county college shall publish and distribute within the organization all policies and procedures that govern all procurement card users, their supervisors, the purchasing agent, the accounts payable, and accounting personnel responsible for reconciliation of procurement card statements and the disbursement of funds in satisfaction thereof. Said policies and procedures shall, at a minimum, describe the following:

1.-12. (No change.)

(e) The chief financial officer shall assure that the following information is gathered and reviewed prior to any disbursement of funds to the issuer:

1. Evidence of each transaction, including a receipt or other acceptable documentation provided by the vendor of goods or services, and certified by the authorized procurement card user pursuant to N.J.S.A. 40A:5-16.b, as having been received as described;

2. (No change.)

3. A reconciliation of activity performed upon the transaction evidence, supervisory review, and procurement card issuer statement; and

4. (No change.)

(f) The chief financial officer is responsible for monitoring and assessing the quality of internal control performance on a continuing basis to assure that all controls are actively pursued each cycle without exception.

5:30-9A.8 (Reserved)

## CHAPTER 31 LOCAL AUTHORITIES

### SUBCHAPTER 4. APPROVAL AND PAYMENT OF CLAIMS

5:31-4.1 Payment of authority moneys; approval of claims

(a) All persons submitting a claim for payment from authority moneys shall present a detailed bill of items or demand, specifying how the bill or demand is made up, with the certification of the party claiming payment that it is correct, except payments may be made without certification by the vendor or claimant as to the bill or demand being correct under the following circumstances:

1. When payment to vendors is required in advance of the delivery of the following materials or services, if those materials or services cannot be obtained from any other source at comparable prices, including:

i. For such purposes as may be permitted pursuant to N.J.S.A. 40A:5-16.2 and 16.3;

ii. Payment obligations to the State or Federal governments;

iii. Membership in a nonprofit organization;

iv. Educational courses, including, but not limited to, those where continuing education credits are awarded;

v. Registration for a convention hosted by a nonprofit organization; and

vi. Website hosting, including registration and maintenance of a domain name.

2. When ordering, billing, and payment transactions for goods or services are made through a computerized electronic transaction utilizing standard electronic funds transfer technologies; and

3. Where an authority institutes a standard policy by resolution not to require a vendor or claimant certification if said vendor or claimant does not provide, as part of its normal course of business, a certification from an individual with knowledge of the transaction that a bill or demand is correct. In instituting such a policy, the authority shall have the discretion to require vendor or claimant certification as the authority deems necessary and appropriate.

(b) The provisions of (a)2 and 3 above shall not apply to the reimbursement of employee expenses or payment for personal services.

1. No employee expenses shall be reimbursed by an authority unless the employee provides a detailed statement, certified in writing by the employee, along with documentation in support of each expense.

2. For purposes of this section, a “personal service” shall be a service provided exclusively and entirely by the individual seeking payment.

(c) An authority shall not require vendor or claimant certification before payment is made for debt service or the services set forth under N.J.S.A. 40A:5-16(d).

(d) A certification pursuant to N.J.S.A. 40A:5-16.a that a bill or demand is correct must feature either an original signature, signature stamp, facsimile signature, or electronic signature of the individual making the certification.

Recodify existing (b)-(d) as (e)-(g) (No change in text.)

(h) Payment of claims shall be by check drawn on the authority, signed by the governing body chairman and the chief financial officer and countersigned by such other officer or official as designated by the resolution. Disbursements utilizing standard electronic funds transfer technologies shall be initiated and authorized pursuant to N.J.A.C. 5:30-9A.

(i) The governing body shall by resolution, passed by not less than a majority of the full membership, designate the manner in which and the

time in which salaries, wages, or other compensation for services shall be paid.

5:31-4.2 Signatures on checks drawn upon the treasury of the authority; initiation and authorization of electronic funds transfers

Every authority shall at each organizational meeting designate by resolution the individuals whose signatures shall appear on checks drawn upon the treasury of the authority and the individuals who shall initiate and authorize transactions utilizing standard electronic funds transfer technologies.

## (a)

### DIVISION OF FIRE SAFETY

#### Uniform Fire Code

#### Adopted New Rule: N.J.A.C. 5:70-2.21

Proposed: August 7, 2017, at 49 N.J.R. 2355(a).

Adopted: December 20, 2017, by Charles A. Richman,

Commissioner, Department of Community Affairs.

Filed: December 20, 2017, as R.2018 d.061, **with a non-substantial change** not requiring additional public notice and comment (see N.J.A.C. 1:30-6.3).

Authority: N.J.S.A. 52:27D-198.17 and P.L. 2013, c. 228.

Effective Date: January 16, 2018.

Expiration Date: March 14, 2018.

#### Summary of Public Comments and Agency Responses:

Comments were received from Robert Ferrara, Fire Official/Fire Sub-Code Official, Township of Lyndhurst; Robert Moore, Fire Official, Carlstadt Bureau of Fire Safety; Robert Steel, Clerk, Cinnaminson Fire District #1; and Richard A. Soltis, Jr., Fire Sub Code Official, Lawrence Township, and Past President, Central Jersey Code Officials Association.

1. COMMENT: Mr. Ferrara commented on his concerns of the size of the Maltese cross and suggested a stipulation for towns that already have an ordinance in place for similar signage.

RESPONSE: The Department respectfully disagrees with the commenter's remarks. The specifications of the Maltese cross were discussed and decided upon by the Fire Codes Advisory Council. Moreover, the requirements for signage emanated from legislation calling for the same. This is to be in the New Jersey Uniform Fire Code to ensure that the signage is kept uniform throughout the State for firefighter safety.

2. COMMENT: Mr. Moore commented on his concerns of having to install multiple identification signs if there is a roof and adjacent mounted photovoltaic system.

RESPONSE: The intent of the new rule is for one identification sign, which is further clarified upon adoption by adding the text "and/" or to the wording. The Department discusses this further in the Summary of Agency-Initiated Changes below. The Department appreciates the commenter's suggestion and thanks him for his support of the rulemaking.

3. COMMENT: On behalf of the Board of Fire Commissioners of the Cinnaminson Fire District #1, Mr. Steel extends support of the proposed solar panel signage requirement. Mr. Steel believes that the solar signage provides a "visual reminder" to ensure that response personnel know that the building hosts or is powered by a photovoltaic electric system.

RESPONSE: The Department appreciates the commenter's affirmative comments and support of the rulemaking.

4. COMMENT: Mr. Soltis believes that this proposal is "due to a flawed bill passed by the N.J. Senate as a safety item," and opposes the proposal.

RESPONSE: The Department thanks the commenter for his comments. However, the commenter's belief that the rulemaking is due to a "flawed bill" is irrelevant. The legislation was passed into law, and under the legislation, the Department is obligated to adopt appropriate rules to enforce the law, which rules are the subject of this rulemaking.

#### Summary of Agency-Initiated Changes:

The Department has made one minor change to its rulemaking at N.J.A.C. 5:70-2.21(a)1v. Specifically, the change corrects "ROOF MOUNTED or ADJACENT" to "ROOF MOUNTED and/or ADJACENT." This change is made to correct an inadvertent omission from the rulemaking, where the intent of the proposed rule is that one identification sign is sufficient even though there may be two solar photovoltaic systems, that is, roof mounted and adjacent. This is a non-substantial change to the rule, and there exists no added burden or notable enlargement of what or who will be affected by this rule. Moreover, this non-substantial change does not alter what is being prescribed, proscribed, or otherwise mandated by the rule.

#### Federal Standards Statement

No Federal standards analysis is required because this rulemaking is not being adopted under the authority of, or in order to implement, comply with, or participate in any program established under Federal law or under a State statute that incorporates or refers to Federal law, standards, or requirements.

**Full text** of the adopted new rule follows (addition to proposal indicated in boldface with asterisks **\*thus\***; deletion from proposal indicated in brackets with asterisks **\*[thus]\***):

#### SUBCHAPTER 2. ADMINISTRATION AND ENFORCEMENT

5:70-2.21 Identifying emblems for structures with solar panels

(a) Identifying emblems shall be permanently affixed to the front of structures hosting or being powered by photovoltaic electrical power either on the roof or adjacent to the building.

1. The solar emblem shall be a Maltese cross shape, constructed of durable material, with a white reflective background with red letters. Numerals and letters shall be Roman or Latin as required.

i. The sign shall be six inches by six inches (152 mm by 152 mm).

ii. The height or width of each Maltese cross wing area shall be one and one-eighth inches (29 mm) and have a stroke width of one-half inch (13 mm).

iii. The center of the Maltese cross, a circle or oval, shall be three inches (76 mm) in diameter and have a stroke width of one-half inch (13 mm).

iv. All letters and numerals shall be one and one-quarter inch (32 mm) in height and have a stroke width of one-quarter inch (six mm).

v. The letters PV shall be located in the center circle of the Maltese cross to identify the presence of solar photovoltaic systems. The wording ROOF MOUNTED **\*[or]\*** **\*and/or\*** ADJACENT shall be located immediately beneath the Maltese cross identifying where the solar panels are located.

2. The emblem shall be permanently affixed to the left of the main entrance door at a height between four and six feet above the ground and shall be installed and maintained by the owner of the building.

i. Premises already equipped with a truss construction sign may install the solar sign immediately above the truss sign.

(b) Detached one- and two-family residential structures shall be exempt from the signage provisions.

(c) The owner of any residential structure or nonresidential structure who installed a roof mounted solar photovoltaic system on or after January 17, 2014, or has installed or provided for the installation of a roof mounted solar photovoltaic system prior to January 17, 2014, shall provide a written notification to the local fire official, which shall include, but need not be limited to:

1. The name of the property owner or owners, as well as the address of the residential structure or nonresidential structure upon which the solar photovoltaic system has been installed, and the name of the owner or owners and the address of any other adjacent structure served by the solar photovoltaic system; and

2. The year that the roof mounted solar photovoltaic system was installed on the residential structure or nonresidential structure.

(d) A copy of a permit filed pursuant to N.J.S.A. 52:27D-198.17.1.c or written notification issued pursuant to N.J.S.A. 52:27D-198.17.1.d shall be kept on file by the chief of the local fire department.