



Delinquent Accounts and Collections Policy

ACCOUNTING DEPARTMENT

OPERATIONS &
ACCOUNTING

VERSION
1.0

EFFECTIVE
January 2026

REVIEWED
January 2026

POLICY

Barkan follows a consistent, automated, and legally compliant collections process to ensure the timely recovery of delinquent assessments. This policy establishes the steps for notifying owners, escalating delinquent accounts, and referring matters to legal counsel or a collection entity when necessary.

Standard Collections notices Timeline (sent from Corporate office)

1. Friendly Reminder (Approx. 2 Days After Late Date)
 - a. Automatically generated notice informing the owner their account is past due.
 - b. Includes current balance and any applicable late fees.
2. 30-Day Delinquency Notice
 - a. Issued if payment has not been received within 30 days.
 - b. Stronger language advising payment within 15 days to avoid further collection activity.
3. 45-Day Delinquency Notice
 - a. Advises the owner that their account may be referred to legal counsel.
 - b. Includes state-specific legal language noting that legal fees and collection costs will be added to the account.
4. 60 Days Past Due – Refer to Manager
 - a. No automated notice is sent at this point. Statements are generated for Manager review.



Procedure – Operations

Monitoring Delinquency

1. Review collection statuses regularly; delinquent accounts appear in red with the current collection's status on the homeowner listing screen.
2. Check the queue on a regular basis (at least monthly) for any statements generated for accounts at 60+ days delinquent.

If an account is to be referred to legal

1. Email a copy of the owner's statement to the attorney.
2. Update owner's status in the system to "In Legal".
 - a. Accounts Receivable must be notified by email with site name, owner's name, account number, and unit number.
3. All communication with the owner or related parties must be referred to the attorney or collection entity.
4. No account information may be provided to the owner or their representatives directly.
5. No payments may be accepted by site staff and the payment portal will be disabled for the account.

Procedure – Accounts Receivable

Late fees

1. Late fees and collection notices should be set to align with the Association's policy.
2. Prior to the late date, ensure there are no orphaned credits or unposted charges.
3. Late fee batches will be automated and should be available the day after the late date.
4. Ensure that late fee batches are posted timely each month on the day they are generated.
5. Review the batch and compare it to a current AR report to ensure accuracy of the charges.
6. Modify the batch if necessary before posting. If you notice any discrepancies, contact Support to investigate any system or setup errors and post manual charges if needed.



Collection Notices

1. Look for any letters that have been generated after late fees are posted for the month.
 - a. Letters will generate multiple times a month depending on the age of an owners balance. Check the print jobs regularly to ensure notices are sent at all levels when necessary.
 - b. Most letters will generate roughly two days after the late date and at the end of the month. It is recommended to check them daily surrounding these dates.
2. Once letters are generated, review them for accuracy before approving the job for printing.
 - a. If there are errors or missing charges, etc., letters should be set to re-print and generated the following day.
 - b. If you see that delinquent owners are not included in the notices, notify Support to investigate any system or setup errors.

If an account is to be referred to legal

1. The Manager must change the owner's status to "In Legal". All communication with the owner or related parties must be referred to the attorney or collection entity.
2. No account information may be provided to the owner or their representatives directly.
3. No payments may be accepted by site staff and the payment portal will be disabled for the account.
4. Managers may request copies of mailed letters from time to time to provide to the Association's legal counsel. Be sure to download the finalized version that was approved in the print queue so they have the most accurate and up to date communication.

Posting Legal Fees

1. The Association's attorney should provide a summary of charges related to collections activity per unit to ar@barkanco.com. AR Specialist to post legal fees to the ledger with the appropriate Assessment type and current open period.
 - a. Notate any specific dates or details in the description.
2. Manager should review for accuracy and approve charges to be posted.