Financial Statement Production Policy

ACCOUNTING DEPARTMENT

OPERATIONS & ACCOUNTING

VERSION	EFFECTIVE	REVIEWED
1.0	**March 2026**	**March 2026**

POLICY

To outline a standardized process for preparing, reviewing, finalizing, and distributing monthly financial statements across all properties managed by Barkan, ensuring accuracy, timeliness, and collaboration between departments.

Procedure

Managers (GMs), Property Managers (PMs), Assistant Property Managers (APMs), and the Office Manager engaged in the financial reporting process. Responsibility for each of these roles is outlined below.

1. Accountant:
    a. Prepare preliminary and final financials, reconcile accounts, record accruals and adjustments.
    b. Identify and document open questions related to financial activity (missing invoices, variances, interfund balances, etc.).
    c. Work with reviewers to clarify and resolve outstanding items.
    d. Finalize and distribute financials by the contractual deadline.
2. AE/GM/PM (Reviewer):
    a. Review preliminary reports in detail, focusing on budget variances and financial integrity.
    b. Respond to all Accountant inquiries and raise any additional questions.
    c. Collaborate with the Accountant to ensure missing documentation, corrections, or concerns are resolved.
    d. Draft the financial narrative to accompany the final package.
3. APM
    a. Post finalized and redacted financials to WebAxis or BuildingLink for Board and owner access.

Process Summary

1. Preliminary Financial Preparation
    a. Accountants reconcile all bank and balance sheet accounts, post accruals, and close the fiscal period.
    b. Preliminary reports include identified open items and are prepared in advance of deadlines.
2. Distribution of Preliminary Reports
    a. Preliminary financials are sent at least 3 business days before the contractual due date.
    b. Use the standard format in Exhibit A and include all relevant questions and requests.
    c. CC the reviewer’s supervisor on the email.
3. Collaborative Review & Response
    a. AE/GM/PM reviews the preliminary financials and responds at least 2 business days prior to the due date.
    b. Both Accountant and Reviewer are expected to work together to resolve outstanding issues.
    c. Note: A response is expected for every preliminary email. It is recommended to coordinate a call with the Accountant and AE/GM if necessary. If no response is received, accounting will finalize the financials as-is on the contractual due date.
4. Finalization & Distribution
    a. Accountant incorporates feedback, performs final reconciliations, and ties out all accounts.
    b. Final reports are distributed to the AE and APM, with Office Manager copied.
5. Posting & Documentation
    a. APM posts finalized reports to the appropriate portals.
    b. Accountant saves reports and supporting schedules to SharePoint using standard folder structure.
    c. Financial Statement Tracker is updated throughout the process by the accountant.

Exhibit A – Preliminary Financial Email Template

Subject: ABC Condominium – March 2026 Preliminary Financials

Hello [Name],

The March 2026 Preliminary Financial Reports for ABC Condominium are attached for your review. Please respond by [insert date] so the reports can be finalized by the contractual due date of [insert due date].

Utilities/Contracts/Insurance

- [List any missing invoices, accruals made, or concerns]

Bank Accounts

- [List any missing bank statements or questions about activity]

Balance Sheet Activity

- [Request clarification on AR-Other, deferred income, interfund balances, etc.]

Please confirm if any additional accruals, reclasses, or adjustments are needed for finals.