Homeowner Refund Policy

ACCOUNTING DEPARTMENT

OPERATIONS & ACCOUNTING

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

POLICY

Barkan is committed to ensuring that owner refunds are processed accurately, timely, and in accordance with accounting standards and each Association's governing documents. This policy outlines the procedures for issuing refunds related to overpayments, deposit returns, and other qualifying transactions

Procedure

1. Review Prior Owner Activity: As part of the monthly financial review, both the Accounting team and the Account Executive (AE) must evaluate the Accounts Receivable (AR) and prepaid reports. The focus is to identify and address:
   a. Inaccurate balances
   b. Prepaid amounts on accounts of prior owners (older than 30 days)

Roles & Responsibilities

- Accounting: May correct clearly misapplied payments (e.g., payment applied to prior owner when it belongs to current owner).
- Account Executive: Responsible for addressing most outstanding items, especially those that are not readily identifiable or straightforward.
- If a Refund is Warranted: The AE must submit a check request to AR including:
  - Supporting documentation
  - Forwarding address for the owner
- Refunds by Request (Current Owners): Refunds may be requested when there is a credit balance on a current owner's account due to overpayment. The check request should be submitted to AR@barkanco.com.
- Refunds Due to Resale/Move-Out: When a unit is sold, notification must be sent to AR@barkanco.com and must include the settlement statement. Any checks received with the settlement should be sent to the corporate office for processing. Accounts Receivable will then take the following actions:
  - Process a Move-Out in CINC.
  - Post all applicable credits to the seller/transferor as of the settlement date.

    - Apply cash disbursements where needed.
    - If a credit balance remains post-adjustment, and a forwarding address is available, a refund check will be issued.
    - Once an owner has been marked as “prior” in CINC, their WebAxis account will become inactive, and any recurring payments will no longer be processed.

Special Situations

- Misapplied Payments or 6(d) Certificate Issues: AR will assist in resolving these issues.
- Board Requests to Retain Credits: Holding credit on a prior owner’s account without action is improper accounting. These amounts create stale assets on the balance sheet. In such cases, the AE must submit a request to apply a miscellaneous charge to move the balance from the balance sheet to the P&L.