BARKAN

Invoice Workflow and Payables Processing Policy

OPERATIONS

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VERSION	EFFECTIVE	REVIEWED
1.0	May 2026	May 2026

POLICY

Barkan maintains a transparent, accurate, and well-controlled invoice approval process. All invoices must be reviewed by multiple users, with strict segregation of duties to ensure that no single person is assigned to all levels of approval. This process promotes financial accountability, reduces the risk of errors or fraud, and supports compliance with company procedures.

Invoice Requirements

1. Each invoice should be emailed to invoices@barkanco.com as a separate PDF.
   a. Multiple PDFs in one email is acceptable, invoices cannot be combined as one attachment. Word documents, links, or messages in the body of an email will not be processed.
   b. If the vendor requires a physical address, use Association Name c/o Barkan Management at the current AP lockbox (PO Box 2193, Secaucus, NJ 07096).
2. All invoices must be clearly billable to the Association, and the name listed should match the Association’s legal name.

- If invoices are billed to Barkan Management or a specific employee (Manager, Maintenance, etc.), approvers must contact the vendor to have it updated before processing.

1. Each invoice must have a unique invoice number per vendor and property.
   a. If a vendor does not assign an invoice number, use the 6-digit invoice date with “–” and the last 4 digits of the account or customer number. (ex. 010124-1234)
      i. If further differentiation is needed, use a 5th digit from the account number.
   b. If no account number is available, use alphabetical characters (A, B, C, etc.)

Invoice Review Requirements

1. Each approver is responsible for verifying the accuracy of the association assignment, vendor information, invoice total, invoice number, dates, GL coding, and supporting documentation.
2. All changes or corrections must be documented in the Internal Notes section of the invoice.
3. Each invoice must be reviewed and approved individually.

Duplicate invoices

1. If an invoice is flagged as a duplicate, the user must view the other copy in the system and determine the approval levels of each.
2. Delete, do not reject, all copies of the invoice that are below the highest level of approval, so copies do not get reviewed again.

Shut off notices or Statements

1. If a statement or shut off notice is received, it should not be processed as a regular invoice.
    a. Review any recently paid invoices to the vendor to ensure payment has not already been processed.
    b. If payment is necessary, notify accounting to review the best course of action for expedited payment.
    c. Contact the vendor for a copy of the invoice and provide payment information if applicable.
    d. Delete the statement and process the invoice once received.

Segregation of Approval Levels

1. All invoices require review and approval by at least three separate individuals.
2. No single person may be assigned to more than one level of invoice approval under any circumstances.
3. The invoice workflow will be set up to ensure distinct individuals serve as Site Admin/Site Approver, Approver 1/Approver 2, and Staff Accountant (if applicable).

Standard Workflows

1. Initial Review (Site Admin/Site Approver):
    a. All invoices should be pushed to the next level of approval within the same day they are received.
    b. Verify that the invoice is correctly assigned, coded, and supported by valid documentation.
    c. Approve and route to the next approver or delete if necessary.
        i. Rejections at this level are only for miscoded properties to be redirected.
        ii. Any corrections to the invoice need to be addressed with the vendor directly.
2. Subsequent Approvals (Approver 1 and Approver 2):
    a. All invoices should be pushed to the next level of approval within the same day they are received.
    b. Confirm accuracy of all invoice details, verify compliance with GL coding, and ensure payment account is correct.
    c. Approve if accurate or reject with notes for correction.
    d. Approver 2 will approve invoices over $5k unless otherwise determined.
3. CFO Approval:
    a. CFO will approve all invoices over $25k
4. Staff Accountant Approval:
    a. All invoices should be decisioned within 24 hours of receipt.
    b. Confirm accuracy of all invoice and vendor details and ensure the GL Post Date is updated to the proper service period date or invoice date.
        i. GL Post Dates should never be future dated.
    c. Bank selection should be reviewed to ensure it aligns to the expense type (Reserve vs. Operating).
    d. Approve to Final Release if accurate or reject with notes if corrections are needed.
        i. If the Accountant AP Approver is unsure of how to proceed with an approval the invoice is to be included in the daily AP Inquiry email to the assigned accounting staff to assist in determining the appropriate next steps.

Determining Roles

It is the responsibility of the Supervisor to understand the workflow for each property and determine which users are to be assigned to each level of the approval process. Each user must understand their role and responsibilities within the process. Below is a general guideline for determining roles based on staff availability.

1. "Direct" Properties or properties without site staff, will have a Corporate APM assigned to approve at the Site Admin level.
    a. Approver 1 should be the AE or Property Manager assigned to the account.
    b. Approver 2 should be the RD or VP that oversees the AE.
2. "Indirect" Properties, or properties that have staff onsite to process payables will be responsible for submitting invoices and processing at the Site Approval level.
    a. Approver 1 should be the AE or account Supervisor assigned to the account

Changes to Invoice Workflow Assignments

1. Any changes to assigned approvers, roles, or workflow steps must be submitted in writing using the Change of Status Request Form to support@barkanco.com.
2. The form must be approved by a supervisor before any changes are implemented.
    a. Supervisor should be the Corporate AE, RD, or VP of the account unless changes are being requested for AE approvals. The VP should approve the changes in this case.
3. Approved changes will be updated in the workflow system by authorized administrative staff only.

Coverage for invoice Processing

1. If a user will be out of the office for an extended period, they must assign a delegate to approve invoices on their behalf during their absence.
    a. Email Support@barkanco.com with the dates coverage is needed, along with the name and username of the delegate approver.
    b. Whenever possible, the delegate should have similar approval permissions and/or knowledge of the property.
2. If there is a termination or departure, roles cannot be left unassigned. If a replacement has not yet been identified at the time of the departure, the users Supervisor will be assigned as temporary approver until a replacement can be determined.

See Strongroom Quick Reference Guide (QRG) for instructions on how to navigate the AP system.