



Office Use Only

## IMPROVEMENT AND BETTERMENT OF EXISTING ASSET

Department: \_\_\_\_\_

- Improvements include additions of new components to previously capitalized assets that either increase the assets' value, extend the useful life, increase the normal rate of output, lower the operating cost, or increase the efficiency of the existing assets. Replacements of components of existing capitalized assets with improved or superior units are also classified as improvements. Total improvements must be equal to or greater than \$5,000.
- Betterments enhance an existing capitalized individual or group asset to a condition beyond that achieved through normal maintenance repairs. A betterments increases the useful life of the asset by at least 1 year without the introduction of a new unit. Only alterations that significantly rebuild an asset will be capitalized as betterments. All other will be considered maintenance and expensed. Total betterments must be equal to or great than \$5,000.
- Improvements or betterments of noncapitalized assets that do not involve replacements will be capitalized as part of the original asset only if the total cost of the original asset, including the improvements or betterments, is equal to or greater than \$5,000. Otherwise, the cost will be expensed as maintenance and repairs.
- Maintenance and repairs are not intended to alter or change the asset or to increase the useful life of the asset, but rather to sustain the asset in its present condition. Maintenance and repair costs incurred to keep a fixed asset in normal operating condition will be expensed.

Lamar University Property Inventory Tag# or original PO#: \_\_\_\_\_

Asset Description: \_\_\_\_\_

Current Asset Value: \_\_\_\_\_

Betterment or replacement needed: \_\_\_\_\_

Estimated Completion Cost: \_\_\_\_\_

Estimated Date of Completion: \_\_\_\_\_

(Note: Purchases after this date will be classified as maintenance and not capital expenditures.)

Employee Signature: \_\_\_\_\_ ID #: \_\_\_\_\_

Printed Name: \_\_\_\_\_ Phone #: \_\_\_\_\_

Department Head Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_ Phone #: \_\_\_\_\_

NOTE: Purchase requisitions must include the Lamar University property inventory tag number and the words "Improvement or Betterment." Failure to provide this information may delay the purchase process for the needed modification, attachments, or accessories.

Does this meet the guidelines to capitalize?  Yes  No

Property Manager Approval: \_\_\_\_\_ Date: \_\_\_\_\_

OFFICE USE ONLY BELOW THIS LINE

SPA  L DRIVE

Initials: \_\_\_\_\_ Date: \_\_\_\_\_