**Leasehold Improvement Disposal and Write-Off**

Structure Element - Description

1. In general, leasehold improvements will not be disposed or written off as they are attached to the building.  UNDP’s standard lease agreement contains the following Article.

*“Where, with the prior written consent of the Lessor, major alterations, renovations or additions are made on the demised Premises,* ***the UNDP shall not be under any obligation to restore the demised Premises to the state and conditions existing prior to entering upon the same under this Lease Agreement.*** *.Such consent shall be set forth in writing and shall contain provisions on the amortization or compensation of the expenses either through offsetting the expenses against rental payments, or payment for their fair market value.*”

1. In ordinary circumstances, is no disposal of LHI.  However, should an occasion arise where UNDP is able to dismantle the improvement in line with the terms and conditions of the lease and dispose of the item, the disposal processes laid down under the equipment POPP should be followed.
2. When a lease is terminated before the LHI is fully depreciated, the un-depreciated amount (NBV) of LHI in UNDPs Quantum Asset module will need to be written off the books in full.  Such Write-Offs should follow the proper approval mechanisms laid down for Write-Offs under the POPP Furniture & Equipment Disposal and Write-off.