Capex / PIP Approval Memo Template

Template — not legal advice, and not financial advice. Check your franchise agreement, management agreement, loan documents, and operating agreement for approval thresholds and consents.

Property: _____ **Prepared by:** _____ **Board meeting:** _____

1. The decision in one sentence

The board is asked to [approve / defer / reject] [PIP / reserve spend / ROI project] of [amount] for [scope], to be completed by [date].

2. Type of capital decision (tick one)

☐ Brand-required PIP (attach the brand's PIP document and deadline)

☐ Routine replacement funded from the FF&E reserve

☐ Discretionary / ROI project funded outside the reserve

☐ Life-safety or code-required work

3. Scope and cost

Line	Description	Brand-mandatory?	Life-safety / code?	Estimate	Source of estimate
1					
2					
Contingency					
Total					

4. Funding

Source	Amount	Consent needed (lender, partners, brand)?
FF&E reserve (balance before: ____ ; after: ____)		
Owner equity		
Debt		
Key money or brand contribution		

5. Disruption and timing

- Rooms / outlets out of service, by month: _____
- Revenue impact (label as projection; source): _____
- Brand deadline and any extension requested (in writing?): _____

6. Alternatives considered

Option	Cost	Main upside	Main downside
Approve as presented			
Negotiate reduced scope or phasing with the brand			
Change brand / go independent			
Sell before the PIP			
Do nothing (consequences under the agreement)			

7. Return and how we will know

- What the project is expected to change (metric, baseline, target, date): _____
- Who reports back, and when: _____

8. Conflicts and procurement

- Contractors, designers, purchasing agents, or lenders related to a director, investor, or the operator? [ ] No [ ] Yes — details: _____
- Competitive bids obtained? [ ] Yes (number: __) [ ] No — reason: _____
- Recusals: _____ (see the related-party vendor policy (https://preparedboard.com/templates/hospitality-related-party-vendor-coi-policy))

9. Proposed resolution (fill brackets)

RESOLVED, that the Board approves capital expenditure of up to [AMOUNT] for [SCOPE] at [PROPERTY], funded as set out in Section 4 of the memo dated [DATE], and authorizes [OFFICER] to execute the related contracts, provided that any increase above [AMOUNT / %] returns to the Board for approval.

RESOLVED FURTHER, that management report to the Board on cost, schedule, and the measures in Section 7 at [MEETING / DATE].

10. Closure evidence (after the vote)

☐ Signed contracts attached

☐ Lender / brand consents attached

☐ Brand sign-off that PIP items are complete

☐ Final cost vs. approved budget

☐ Follow-up review held on [date]

Related: Franchise, PIP, and capex decisions guide (https://preparedboard.com/guides/hotel-franchise-pip-and-capex-decisions) · Sample "approve PIP spend" record (fictional) (https://preparedboard.com/for/hospitality/sample-decisions/approve-pip-spend).

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