

Business R&D and Innovation Survey – Revised Questions for Testing

1. **What was the total worldwide research and experimental development (R&D) expense for your company in 2014?** \$ _____
2. **Does the amount reported in Question 1 include any of the following costs?** Yes No
- a. Collaborative R&D that was reimbursed by business partners, such as through cost-sharing agreements
- b. R&D paid for by government or private foundation grants
- c. Technical services not an integral part of an R&D project (such as product support provided by R&D employees)
- d. Bid and proposal costs
- e. Expense your company claimed resulting from the acquisition of another company with unfinished R&D projects (in-process R&D)
- f. Non-experimental product development, where the design of new products does not require the resolution of scientific or technological uncertainty
3. **If you answered "Yes" to any of the costs in Question 2, what was the amount of these costs that was included in your response to Question 1?** \$ _____
4. **Subtract Question 3 from Question 1 and enter the result here. This is the total R&D paid for by your company in 2014.** \$ _____
5. **How much of the amount reported in Question 4 was for the following categories?**
- a. Research - the planned, systematic pursuit of new knowledge or understanding \$ _____
- b. Experimental Development - the systematic use of research and practical experience to produce new or significantly improved goods, services, or processes \$ _____
- c. Total (equals Question 4) \$ _____

What is Research and Experimental Development (R&D)?

Research and experimental development (R&D) is planned, creative work aimed at discovering new knowledge or developing new or significantly improved goods and services. This includes:

- a) Activities aimed at acquiring new knowledge or understanding without specific immediate commercial applications or uses (basic research);
- b) Activities aimed at solving a specific problem or meeting a specific commercial objective (applied research); and
- c) Systematic use of research and practical experience to produce new or significantly improved goods, services, or processes (experimental development).

The term R&D does NOT include expenditures for:

- Non-experimental product development, where new products are distinguished by innovations in design that do not require the resolution of scientific or technological uncertainty.
- Non-experimental pre-production development, such as the manufacture of test units to achieve regulatory or customer approval of a new product.
- Costs for routine product testing, quality control, and technical services unless they are an integral part of an R&D project
- Market research
- Efficiency surveys or management studies
- Literary, artistic, or historical projects, such as films, music, or books and other publications
- Prospecting or exploration for natural resources