

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

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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