

Measuring R & D Expenditure

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Global Incentives Services

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Subsidy focus areas



Education & training

Employee training & mobility programs can be covered by significant (European) funding, for instance the European Social Fund (ESF).

Research & Development

Collaborative R&D projects of different scale and scope can be covered by national and international funding schemes such as the European Seventh Framework Programme for Research & Development.



Investments

Investments in capital equipment, especially investments in energy saving and environmental friendly equipment, can be covered by various national and international grants and tax allowance schemes.

Structure of reporting

Differs a lot depending on how the RTD in the company is organized e.g. business unit, HQ function, external part or both. Most easy to follow is the KIS-companies that either has a centralized RTD function and allocated staff, or buying the resources externally (e.g. company, university) - normally easy to identify the costs and hours. RTD executed on a decentralized (BU/BA, subsidiary) level is harder to get hold on, because it could be included in the daily work and is not recorded.

Costs

Most companies means costs for RTD mainly are direct labour (staff), cost of materials, premises, computer and sometime appropriate portion of overheads or other indirect costs relating to the RTD activities.

Challenge ... "we don't have any R or D...it's just part of our daily work"

What is R and D...

2001

RTD costs are charged to the income statement in the year in which they are incurred

After 2006 (according to IAS 38 principles)

Often divided in two parts 1) research 2) development

Research costs are charged to the income statement in the year in which they are incurred. Development costs are charged to the income statement in the year in which they are incurred IF they NOT should be treated in the balance sheet according to IAS 38 intangible assets, which means... the company can demonstrate a technical feasibility/having resources of completing the intangible asset and use or sell it, the probability that the asset will generate future economic benefits, the projects cost could be identified in a viable way...

EU 7th framework for RTD

Already in the applications entities define who's doing what and expected resources and results. Everything that goes without this has to be explained separately.

The conclusion is that it is easier to follow these projects and measure RTD if companies already from the project start have separate/specific accounting system for the project, where hours, costs, expenses etc is recorded.

In general this is a good source/way of get control/measure – even if the company not is involved in a FP7 project.

Challenges

Business society is driven by profits...money/job (no administration...)

Researcher/Developers is driven by interest...hobby/lifestyle (no administration...)

Public authorities i.e statistical offices is in the hands of the feed-back reporters...and therefore needs to build easy accessible systems for measuring R & D from different aspects and that appeal to among other the above factors...

Different views in countries on R & D transparency and openness

Important to have the feed-back producers involved and on track/ in the dialogue – interaction i.e. “User Groups”

Thank You for the attention!

Most welcome contacting us!

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