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Research & Development Tax Incentive (RDTI)

Record-keeping

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Key points

1. Your record-keeping will need to go beyond what's normally required for tax purposes. You will need Research and Development Tax Incentive (RDTI) related information to complete your claim, and to substantiate it if we review it.
2. Involve your technical people as well as your accountant. Eligible R&D activity is fundamental to your claim and your technical people are critical to gathering the required information.
3. Wherever possible integrate RDTI requirements into your existing accounting system and project management processes.
4. Identify and record the information at the time the R&D activity occurs. This improves the credibility of your claim and makes it more likely that you can capture all eligible expenditure.

Quick tips

1. Record-keeping will need to be a hybrid of tax information and project progress.
2. Team the technical people up with your accountant to create clear systems.
3. Integrate RDTI criteria into existing accounting and project management processes.
4. Identify and record the info as the R&D happens. This improves the credibility of your claim and makes it more likely that you capture all eligible expenditure.

Record-keeping requirements

The RDTI requires you to maintain relevant records to support your claim. This includes records showing R&D expenditure and how you've planned and conducted R&D activities.

This guide identifies the types of information you will need to keep to complete the claim process and support your claim if we review it, structured around the requirements:

- to be an eligible entity,
- to have eligible R&D activity,
- to have eligible expenditure.

In the Appendix, we analyse a stereotypical R&D process and suggest some questions you should be asking, and the RDTI related records you should be keeping at each stage. We understand every R&D project is different, but hope this is useful for integrating the RDTI into your existing processes and systems.

Important

If you have contracted out all or some of your R&D to an R&D contractor (including an approved research provider), you need to ensure they are keeping adequate records and you can access them to support your claim.

General record-keeping requirements

Inland Revenue provides [guidance on your general record-keeping obligations](#) for tax purposes.

The general record-keeping requirements for business records apply to the RDTI. For example, every person undertaking business in New Zealand must:

- record income, expenses, assets and liabilities,
- keep records for seven years after the end of the tax year they relate to,
- keep records in English or Te Reo Māori, unless we approve you using another language,
- keep records in a format that allows us to readily work out the amount of tax payable.

Some of the information required to claim the RDTI will be already captured in your record of expenses. You'll also need to keep records demonstrating that your activities meet the R&D definition, and ensure you can allocate your expenses to eligible R&D activities.

Eligible entity

Your normal business records should demonstrate that you meet the eligible entity requirements:

- you must be based in New Zealand,
- you (or a member of your corporate group, who is resident in New Zealand or in a country with whom we have a double tax agreement) must own the results of the R&D, or you must be able to use the results (the intellectual property) for free.

In addition, an eligible entity cannot:

- be, or be majority owned by or associated with, an ineligible entity such as a Crown Research Institute, district health board or tertiary education organisation,
- be doing the R&D on contract for someone else as an 'R&D contractor',
- receive a Callaghan Growth Grant in the same income year (a limited exception exists for businesses with a late balance date in the 2020/2021 year).

Joint ventures and partnerships are eligible for the RDTI, but if you are doing your R&D in one of these structures, you should read the [detailed guidance](#) and ensure you have access to records which both document your interest in the joint venture or partnership and describe the eligible R&D activity as a whole.

Records of eligible R&D activity

You must keep records that demonstrate the eligibility of your core and supporting R&D activities. We strongly recommend you involve your technical/research staff in identifying and recording information related to R&D activities.

To claim the RDTI, you must be undertaking a core R&D activity in New Zealand and have records showing your R&D meets each of the requirements set out below.

Core R&D activity must:

- be performed for the material purpose of acquiring new knowledge, or creating new or improved processes, services or goods,
- have the material purpose of resolving a scientific or technological uncertainty,
- be conducted using a systematic approach.

Further, an activity is not a core R&D activity if either:

- the knowledge required to resolve the uncertainty is publicly available,
- the required knowledge is deducible by a competent professional in the relevant scientific or technological field.

PURPOSE: WHAT NEW KNOWLEDGE, OR NEW PROCESS OR SERVICE OR GOODS ARE YOU SEEKING TO CREATE?

What new knowledge, or new or improved process or service or goods are your core R&D activities directed towards? New or improved processes, services or goods are created when something is changed or adapted to the point where it is 'better' than the original. You may have a project with several core activities, and they may all be directed at the same material (important or significant) purpose or outcome.

The purpose of your R&D may only be implied in your project documentation. You should ensure that you make it explicit and clearly document what is new or improved about what you are seeking to achieve.

You might already have done this research as part of work undertaken to research the state of the market or in literature reviews, patent or web searches, scientific or technological reviews, or through discussions with industry experts.

RESOLVING SCIENTIFIC OR TECHNOLOGICAL UNCERTAINTY

What is the uncertainty(s)? You must document the question(s) or hypothesis that requires a systematic approach to determine whether the technology can achieve the outcome you're seeking.

Scientific or technological uncertainty meets the standard required by the RDTI when a competent professional in that field, with access to the publicly available information on the topic, does not know whether something is achievable. In these circumstances there is an uncertainty, or a knowledge gap, in the available scientific or technological knowledge.

To claim the RDTI, it is not sufficient to state the uncertainty in general terms such as "no-one knows how to do x"—this doesn't link to a set of core activities with a material purpose of resolving it. You don't need to detail every proposition your approach will test, but you should state the key uncertainty or uncertainties your R&D is investigating to fill a knowledge gap.

Project commissioning and initiation reports, and material prepared for potential investors, can focus more on the commercial uncertainties than technological. We recognise that these documents are often written more to stress the prospects of success than the scale of scientific or technological challenge, but to claim the RDTI, you should identify the scientific or technological uncertainty somewhere in your project documentation.

REQUIRED KNOWLEDGE NOT PUBLICLY AVAILABLE OR DEDUCIBLE

You also need to record why you concluded that the information to answer your uncertainty is neither publicly available nor deducible by a competent professional. Documenting the answer at the time the R&D is initiated is particularly important in fast-moving fields where others may be working on the same problems.

You do not have scientific or technological uncertainty if a competent professional can deduce that using an existing methodology with appropriate skill will achieve your purpose.

Similarly, you do not have scientific or technological uncertainty if the knowledge of how to resolve your uncertainty is publicly available. Publicly available does not mean available for free, it means available on market terms. If the information is known but not publicly available, for example it is being held as a trade secret, your work to resolve the uncertainty could still qualify for the RDTI.

Many businesses scope the situation and look for existing solutions before undertaking R&D activity. Relevant documentation could include records of searches and in-house or external discussions, and/or a summary of how your project's uncertainty(s) differ from those which have already been solved.

CONDUCTED USING A SYSTEMATIC APPROACH

Core R&D activities use a systematic approach to resolve scientific or technological uncertainty. You should keep records describing the investigations, tests, analysis or experiments undertaken and if the results resolved the uncertainty. This information should be routinely captured in an R&D process.

We understand that a project may be made up of both eligible and other activities that are not seeking to resolve scientific or technological uncertainty—and some may be on the schedule of excluded R&D activities.

To support a claim for the RDTI, your record-keeping should differentiate eligible from ineligible activities because the latter serve another purpose or are excluded.

There is no one 'right' way to demonstrate a systematic approach, but you must be able to identify the activities that were undertaken to resolve an uncertainty. You might achieve this by establishing the eligible R&D activities as a specific deliverable(s) in your project management approach.

The records that need to be kept will vary depending on the nature of your business and your R&D activities. Examples of documents that are likely to be relevant include:

- project planning documents,
- design documentation relating to the tests/experiments/required analysis or prototyping,
- project records including notebooks or photos of legible dated scrum boards,
- test or experimental protocols, results, analysis and conclusions,
- project reports including progress reports.

You must also record the start and end dates of the core R&D activity. Core R&D starts when you have a testable idea or proposition (hypothesis) and ends when you stop measuring or evaluating if you have resolved the scientific or technological uncertainty.

There will often be a boundary between measuring and evaluating to resolve scientific or technological uncertainty, and testing for pre-production or quality control purposes, which is excluded from eligibility for the RDTI. You should be familiar with the testing-related exclusions that apply when you determine the end point of your core R&D activity.



SUPPORTING R&D ACTIVITY

If you have a core R&D activity, there may also be eligible supporting R&D activity.

If you claim for supporting activity, you must have records showing that the supporting activity(s) were required for and integral to the core R&D activity, and had the only or main purpose of supporting the core R&D activity.

Such evidence might come from project planning documents or progress reports which, for example, identify or report on preparatory or decommissioning work. To meet the RDTI requirements, you may need to go beyond the information you would otherwise record and detail any other purposes that the supporting activity is serving, or explicitly state that it serves no other purpose.

If your supporting R&D activities take place in an environment where goods or services are being produced for sale, you should ensure you can demonstrate that the only or main purpose of the activity was to support the core R&D activity.

In addition, there must be enough detail to show the claimed activity is not on the list of activities excluded as supporting activities.

Records of eligible expenditure

There are two key requirements for expenditure to be eligible for the RDTI:

- 1. it was incurred on core and supporting R&D activities (eligible R&D activities),**
- 2. it was of an eligible type and not on the schedule of ineligible expenditure types.**

You should retain records demonstrating that the expenditure or depreciation loss claimed meets both criteria. Record-keeping for eligible expenditure types is discussed below. Before you consider what records to keep, review the information about ineligible expenditure and ensure you have processes in place to exclude any from your claim.

While the R&D supplementary return will ask for expenditure at a 'project' level, you should keep your records at the level of each R&D activity. You should avoid being too detailed in describing your core activities. Each core activity can describe a series of investigations, analysis or experiments, provided they test aspects of your proposed solution to a scientific or technological uncertainty.

Similarly, each supporting activity needs to be described and the related expenditure recorded or apportioned. Again, it is important to avoid excess detail. For example, in a trial of new cultivars, support activity could be described as 'crop management', rather than breaking it down into cultivation, weed control and irrigation.

Read our detailed guidance on eligible expenditure.

You should capture your records at the time the R&D activity was undertaken, not at year end.

The R&D return will ask you to categorise your claimed expenditure—you should capture this information within your system for coding expenditure:

- employee related costs,
- R&D contractor payments,
- approved research provider payments,
- materials consumables and overheads,
- depreciation.

You will also be asked to identify any claimed expenditure subject to the special rules detailed further below:

- expenditure incurred in the course of commercial production,
- expenditure on internal software development,
- expenditure subject to the feedstock rules,
- overseas expenditure.

APPORTIONMENT

If employees, capital items, or goods and services are used on eligible R&D and on other activities, these will need to be apportioned to ensure that the amount claimed reasonably reflects the amount incurred on eligible R&D activities.

When apportionment is used, it must be:

- on a reasonable basis,
- supported by an audit trail of documents and working papers,
- capable of being substantiated.

EMPLOYEE COSTS

Amounts for employees are eligible, to the extent they relate to time spent performing R&D, including:

- salary and wages,
- bonuses,
- employee share schemes,
- employee recruitment and relocation costs,
- overtime,
- holiday pay,
- long-service pay,
- superannuation contributions.

Timesheets are one way to allocate employee costs, but are not an absolute requirement. If employees work on eligible R&D part of their time, appropriate apportionment might be based on any of the following:

- timesheets that separately capture eligible and ineligible work,
- regular (e.g. weekly or fortnightly) project reporting which estimates and records the time put into eligible R&D activity during the reporting period,
- security systems that record presence at a certain location if work done there has been assessed as eligible R&D activity.

If you can provide evidence that work patterns were consistent, you might apportion based on information derived from a sample period.

DEPRECIATION

Depreciation loss is generally an eligible expense for the RDTI, to the extent depreciable assets are used in performing eligible R&D activities.

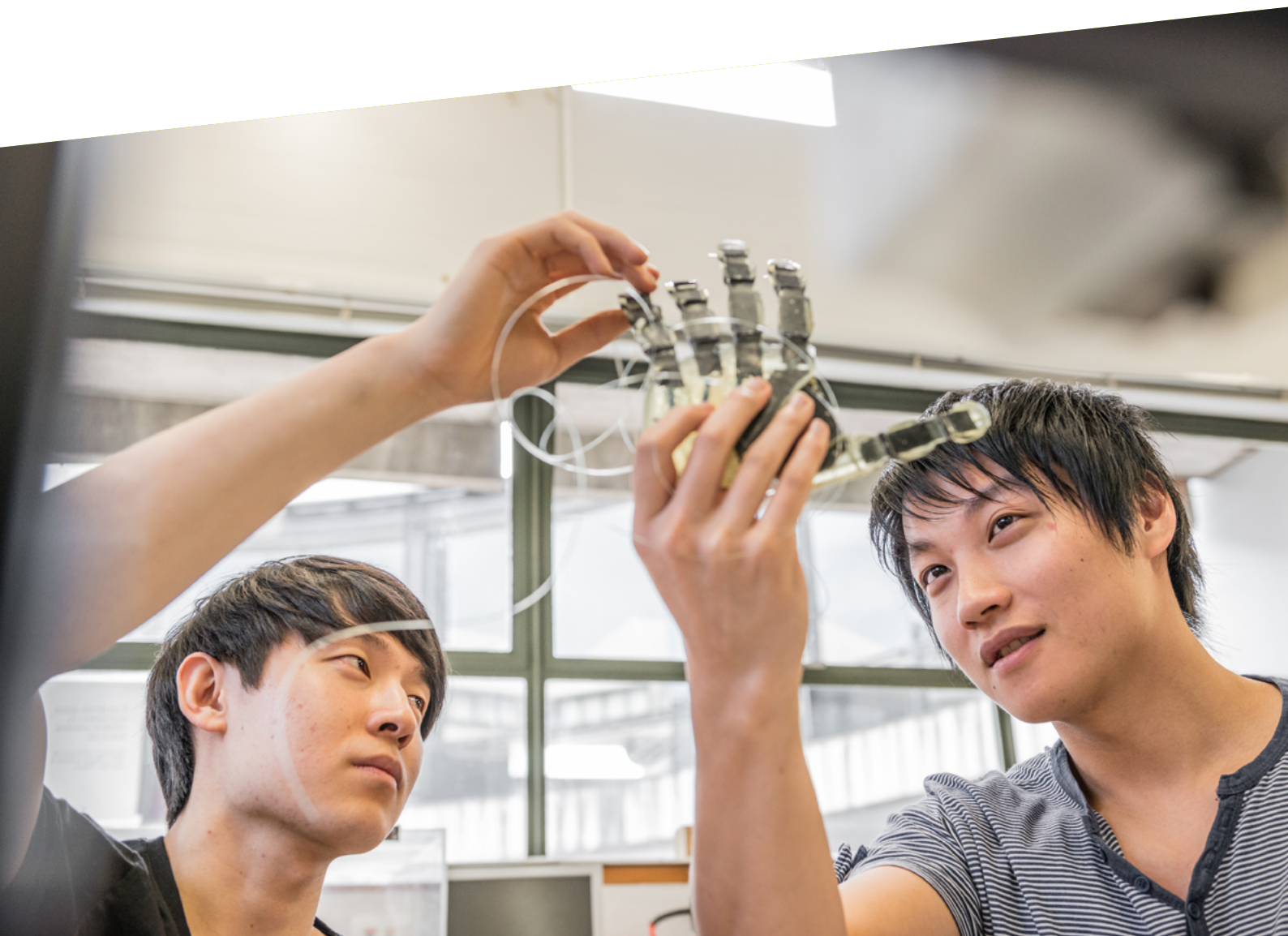
Records should identify the asset(s) used in the R&D activity and when it was used. If the asset was not used exclusively for eligible R&D activities, you should apportion based on use to determine the actual depreciation loss attributed to the R&D activities.

MATERIALS, CONSUMABLES AND OVERHEADS

Expenditure on consumable items such as materials and components used in eligible R&D activity is generally eligible for the RDTI. Records should document the use—this might be through a stock control system or apportionment on a reasonable basis.

Expenditure on overheads such as rent, insurance, administration personnel and cleaning costs are eligible to the extent they were incurred to support eligible R&D activities, but should note the exclusions that apply if your R&D is performed in the course of commercial production (more information follows).

A key requirement for overheads is that your records demonstrate how you have applied reasonable apportionment methods.



Special rules

Special rules limit eligibility in a few circumstances—if they apply, you should ensure your records show you have appropriately calculated your claim.

OVERSEAS R&D

A maximum of 10% of the total eligible expenditure can relate to R&D activity performed overseas.

Expenditure on temporary employees or contractors performing R&D in New Zealand who are not New Zealand tax residents also counts towards that 10% cap. However expenditure on materials imported, or depreciation on imported equipment, to be used in R&D conducted in New Zealand doesn't count as 'overseas R&D'.

Your activity and expenditure records must clearly identify where services were provided outside of New Zealand, or by non-New Zealand tax residents, and the related costs.

FEEDSTOCK RULE AND R&D IN THE COURSE OF COMMERCIAL PRODUCTION

If your R&D is performed at the same time goods or services are being produced for sale, expenditure and depreciation loss are subject to rules relating to feedstock and R&D in the course of commercial production.

The feedstock rule applies when R&D is being done while goods are produced for sale. In this case, only the net expenditure on inputs (materials and energy) is eligible for the RDTI. The net cost is the excess of the input cost over the value of the output. If your R&D is subject to the feedstock rule, you must retain records that show the price received (or if not sold, the market value) of the output.

The commercial production rule applies when goods or services are being produced in conjunction with commercial activity. In this case, the only amounts you can claim are:

- the expenditure in relation to your employee's contribution to the R&D,
- the additional expenditure you incur because of the R&D.

If your R&D is conducted in the course of commercial production, you should record your rationale for deciding that the claimed expenditure was more than you would have incurred without the R&D.

INTERNAL SOFTWARE DEVELOPMENT

Expenditure on R&D for internal software development is subject to a cap of \$25 million in your income year regardless of how much you have spent.

Record-keeping when you use a contractor

Where you use a contractor (including an approved research provider) to undertake R&D on your behalf, you remain responsible for the content of your R&D return/request for general approval, and for the tax position you take in your income tax return. You should make sure the contractor keeps appropriate records that you can access to make and support your claim.

What this looks like will vary depending on the work you contracted. If your contractor has been involved in your R&D from the beginning, it will include being able to access records that document the investigation of the state of knowledge and identify the scientific and technological uncertainty.

In case we have questions, you should require your contractor to keep both the information you need to file your R&D return (from year two, the information you need to apply for general approval) and additional information to support the claim.

You do not need to further break down contracted expenditure, but you do need to ensure that claimed expenditure was incurred on eligible R&D activities, it does not include ineligible expenditure, and that any applicable special rules are followed.

If your contract includes work that does not meet the definition of an R&D activity, you will need to make sure the records are sufficiently detailed to separate the payments made for the core and supporting R&D activity from the other work.

You might do this by separately categorising the eligible and ineligible activities in the schedule of work and agreeing that you will be invoiced based on these categories, with eligible activities sufficiently described to allow you to complete the R&D return. Alternatively, you might agree to the activities you will be charged for being itemised in sufficient detail to allow you to classify them as eligible or ineligible R&D activities.



In addition to ensuring that you only claim for contractor expenditure on eligible R&D activity, you will be required to confirm that the expenditure you claim for the RDTI:

- was of a type included in the schedule as eligible expenditure.
- was not on the schedule of ineligible expenditure.

You might satisfy this by requiring your contractor to advise the subtotal spent or incurred on ineligible expenditure types, or alternatively to confirm in writing that all the expenditure on eligible R&D activity was eligible.

We may follow up seeking further information about the claimed activity or expenditure, and you should have an arrangement in place whereby we can access this information from your contractor if it is required to support your claim.

Records you will need if we review your claim

If we review your claim, we will want to see relevant original records such as project plans and reports, invoices, asset registers, wage records, contracts and details of shareholder salaries.

Your records must show how you have apportioned expenditure. You should be able to explain the basis, why that basis will provide reasonably accurate results, and the calculation method used. We'll also want to see worksheets that show how you calculated the claimed expenditure for each category (for example employee costs) – these must reconcile with the amounts you have claimed.

Where applicable, you should also retain currency exchange rate conversions and worksheets showing calculations for eligible feedstock.

[Read more about source and supporting documents.](#)

Record-keeping at each stage of an R&D project

We understand there is no such thing as a 'typical' R&D project. The following guidance assumes your business is an eligible entity. The information is provided as a basis for businesses to consider their own processes and how they might be adapted to meet the requirements of the RDTI.

We use the expression 'project' – the term 'project' is not part of the legislative definition of R&D, but it is a way for you to group related activities and make them easier to track. It is unlikely that all the activity within a commercial project will be eligible for the RDTI, so within each 'project' we ask you to describe the core and supporting R&D which meets the legislative definition. If the concept of a project is not meaningful for you (you might be a start-up where everything is directed towards one purpose) you can either create a meaningful 'project' name and list all your claimed R&D activities under that heading, or create a 'project' for each core R&D activity.

Appendix



Planning your R&D

Minimising the cost of record-keeping for RDTI requires you to have processes to:

- identify whether eligible R&D is occurring,
- capture and retain appropriate records.

At the time a project (or a portfolio of projects) is being planned, or when you are thinking about the year ahead, it is appropriate to ask whether there are likely to be R&D activities eligible for the tax incentive? If the answer is yes or possibly, the following questions become relevant:

Question	Comment	Where you will use this information
Do you have a material purpose of creating new knowledge or a new or improved, processes, services or goods?	In some cases, the whole project will be directed towards one purpose, and in others a project may include a lot of routine work with an element that is seeking to develop something new or improved. In all cases you should ensure that you record what is new or improved and how you know it is new or improved. This might be answered by recording the patent/internet or other searches you undertook and/or the experts you consulted with.	Information from 1 is required in the R&D supplementary return, and from the 2020/2021 year, in the application for general approval. Answers to 2 will be relevant if we seek further information to decide whether to approve your claim (your request for general approval from the 2020/2021 year).
Will you be seeking to resolve scientific or technological uncertainty in this project?	When you are planning a project, you may not know the answer. If scientific or technological uncertainty may arise, you could make it a regular question for discussion with your technical leads, for example: 1. Is there anything in this project where we don't know if the technology can be used to achieve our objective? Or we don't know how to do it? If yes, you should record the uncertainty and your answer to the following questions: 2. Is the solution to your uncertainty publicly available? And if not, how do you know (what checking did you do)? 3. Can a 'competent professional' deduce (work out) the solution without conducting a process to evaluate possible answers?	Information from 3 will be asked for in the R&D supplementary return, and from the 2020/2021 year, in the application for general approval. • In any R&D project, there may be more than one scientific or technological uncertainty. You should exercise judgement about whether they are described together or separated out. • If the uncertainties are in the same field and the efforts to resolve them will form a set of linked activities, you could describe them as a single uncertainty.

Question	Comment	Where you will use this information
<p>What core and supporting activities will you undertake to resolve the uncertainties?</p>	<p><u>Core activities</u> are systematic activities undertaken to test/experiment/analyse or prototype possible solutions to the uncertainty or uncertainties.</p> <p><u>Supporting activities</u> are not part of the process of testing etc, but they are required for the core activity and are integral to it. Supporting activities must be carried out for the only or main purpose of supporting the core activity.</p> <p>In some cases, such as foreign R&D or R&D in the social sciences, your activity may fit the core R&D activity definition, but it is excluded by legislation. However, some such activities can qualify as supporting if they meet the supporting activity requirements.</p> <p>You should be familiar with the guidance on <u>excluded R&D activities</u> before you decide which of your activities to claim as R&D activities.</p>	<p>The R&D supplementary return and from the 2020/2021 income year, the application for general approval, will require you to describe your core and supporting activities.</p>
<p>How will you track expenditure on eligible activities (those designed to resolve the scientific or technological uncertainty or uncertainties)?</p>	<p>The sooner you consider and plan how to track expenditure on eligible R&D activities, the more likely you are to claim all your eligible expenditure.</p> <p>Much of the required information will be captured in your records of expenditure, but it will only be readily available if you set up a system to code/apportion the expenditure you incur on eligible R&D activity.</p> <p>If you already track expenditure by project, you might add sub codes to your system to allow you to capture expenditure on each eligible R&D activity (we provide <u>guidance</u> on how to claim, including avoiding describing activities in too much detail).</p> <p>If you are in a situation where specific expenditure rules apply, you will need to keep records that allow you to demonstrate that your claim reflects the requirements.</p>	<p>Your supplementary return will require you to identify the eligible expenditure that relates to each R&D project (i.e. the aggregated information from each eligible R&D activity in that project).</p> <p>You will be asked to break this information down into various categories such as:</p> <ul style="list-style-type: none"> • employee costs, • payments to R&D contractors/ approved research providers, • materials, consumables and overheads, • depreciation loss. <p>The supplementary return will ask for information about expenditure:</p> <ul style="list-style-type: none"> • <u>in the course of commercial production</u>, • expenditure on <u>internal software development</u>, • <u>feedstock expenditure</u>, • <u>overseas R&D expenditure</u>.

Question	Comment	Where you will use this information
How will you apportion expenditure?	<p>Where time, consumables, depreciation loss or overheads are incurred on a mixture of eligible and ineligible activities and it is not practical to track the actual use on eligible activities, you will need to apportion expenditure.</p> <p>Where you apportion expenditure, it must be on a reasonable basis and supported by an audit trail.</p>	<p>The expenditure apportioned to eligible R&D activity will be included in your claim.</p> <p>The following details will be required if we review your claim:</p> <ul style="list-style-type: none"> • your method of apportionment. • the rationale for the method i.e. why it is reasonable? • the working papers.
When did or will the core R&D activity start?	Core R&D generally begins when you have a testable idea or proposition which could resolve your scientific or technological uncertainty.	The R&D supplementary return and from 2020/2021, your application for general approval, require you to describe your core R&D activities. Anything that you seek to claim before core activity starts needs to meet the definition of a supporting activity.
When do you expect your core R&D to end?	Core R&D is expected to end when you cease to measure or evaluate the extent to which your activities have resolved your scientific and technological uncertainty. This is likely to be before the end of a commercial project.	You will be asked in your request for general approval whether you want approval of your R&D activities for more than one year. If so, you will need to estimate when your core and supporting activities will end.

During the R&D

While your R&D is underway you should be conscious of the following issues and have a process in place to capture relevant records.

Question	Comment	Where you will use this information
Have you a process in place that enables you to demonstrate that you took a systematic approach to your R&D?	<p>A <u>systematic approach</u> is a methodical (planned and structured) approach to test possible solutions to your uncertainty. It might be demonstrated from the below sources. You should ensure that you can isolate and produce records that relate to the work that meets the definition of core or supporting R&D activities:</p> <ul style="list-style-type: none"> • project planning documents, • design documentation relating to the tests/experiments/required analysis or prototyping, • project records including notebooks or photos of legible dated scrum boards, • test or experimental protocols, results, analysis and conclusions, • project reports including progress reports. 	<p>You will be asked to summarise your systematic approach in the R&D supplementary return (from the 2020/2021 income year in the application for general approval).</p> <p>The source documentation will support your claim if we review it.</p>
Have your core or supporting activities materially changed?	<p>R&D projects are expected to develop as results are obtained and assessed. It is not material that your progress has been faster or slower than originally anticipated, or that your results require change within the core R&D. However, you need to have records to show if there is a significant change, for example to the:</p> <ul style="list-style-type: none"> • scientific or technological uncertainty being investigated, • nature of the core activity or systematic approach (e.g. you were using one approach to testing an idea and now you are adopting a completely different method), • number or nature of the supporting activities. 	<p>From the 2020/2021 income year, you will be required to confirm that the R&D activities in your R&D supplementary return have not materially changed from those for which you obtained general approval.</p> <p>If there has been material change, your claim will not be eligible unless you have amended your request for general approval.</p>

Question	Comment	Where you will use this information
Can you show that supporting activities meet the relevant tests?	Supporting activities must support core R&D and: <ul style="list-style-type: none"> • have supporting the core R&D as their only or main purpose, • be required for and integral to the core R&D. 	You will be asked to state how each supporting activity meets these tests in the R&D supplementary return (from the 2020/2021 income year in the application for general approval).
Are the expenditure and activity tracking systems capturing the required information?	Periodic checks will help you determine whether your systems are operating effectively. For example, your apportioning method may state that staff working on eligible R&D are identified in reporting with their percentage of hours estimated each fortnight. If this is not occurring, it will compromise the credibility of your claim.	Activity and expenditure information is required for your R&D supplementary return and from the 2020/2021, for your general approval. If we review your claim, we may ask to see your source documents.

After the R&D

Question	Comment	Where you will use this information
Are you capturing supporting activities that continue after the core R&D has finished?	Core R&D generally finishes when you cease to measure and evaluate whether your activities have resolved the scientific or technological uncertainty. At that point, it is appropriate to ask 'are there any subsequent <u>supporting R&D activities</u> that are for the only or main purpose of the core R&D and are required for it and integral to it?' If so, you should ensure that you record details demonstrating how the supporting activities meet the definition, and that you have processes in place to track the associated expenditure.	The R&D supplementary return and from the 2020/2021 income year, the application for general approval, will require you to describe your core and supporting activities.
You must retain the information relevant to your claim for seven years.	This is a standard requirement for records relating to your tax affairs.	