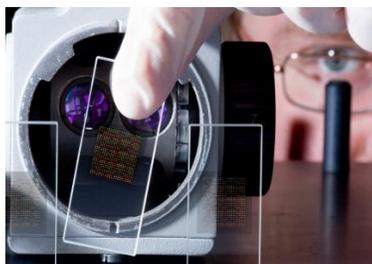


# R&D Credits and Incentives

***Our organization has found more than \$2.5 billion in benefits not previously claimed and supported more than 90% of those claims on exam or at appeals.***

[www.urishpopeck.com](http://www.urishpopeck.com)



## R&D Services

The R&D Professionals with our Alliance partner, BDO, have helped hundreds of companies in virtually every industry claim and support on exam more than \$2.5 billion of these R&D benefits:

### Tax Benefits

- R&D credits and deductions, sometimes available for the same dollars in two or even three countries
- Investment credits
- Tax exemptions or holidays
- Accelerated depreciation
- Training incentives

### Non-Tax Benefits

- Cash subsidies and grants
- Government-sponsored centers/programs
- No or low-interest loans
- Reduced red tape

## Your Opportunities

Getting the full value of these opportunities however requires a thorough understanding of both:

### The opportunities

The laws, programs, and institutions that create the opportunities in the U.S., U.S. states, and more than 30 other countries which offer them; and

### Your Facts

Your industry, technology, history, organization, development process, accounting systems and practices, contractual arrangements with third parties, etc.

Just as important, it requires an experienced team and a methodology capable of marrying the two.

## Our Team: Proven Experience

Together, our R&D Team leaders have more than 100 years of experience identifying, documenting, and supporting R&D benefits at companies, ranging from Fortune 100 enterprises to small-cap companies.

## Our Methodology: Practiced & Principled

Our methodology is based on the same principle most R&D incentives are based on: Experimentation.

The U.S. R&D credit, for example, requires qualified activities to comprise "elements of a process of experimentation"; and the U.S. Treasury, in its 2003 Regulations, and the IRS, in their Audit Techniques Guide (updated 2009), also now focus primarily on such a process.

## Our Objectives

For past, current and future years, BDO's R&D professionals may help:

- Optimize credits claimed and sustained, including, for loss companies, pre-2006 credits, which under certain circumstances can be monetized and claimed as refundable credits
- Reduce the cost and time to do so
- Provide a solid basis for
  - Responding to the issues raised by Tier One and FIN 48
  - FAS 109/FIN 48 determinations
  - SOX compliance and documentation
- Leverage the recent Union Carbide and McFerrin decisions, as well as recent IRS guidance

*(Continued on reverse)*

## Our Approach

Based on the principle underlying R&D benefits – providing incentives for experimentation to develop new or improved products, processes, or software – our approach has helped companies achieve these objectives more fully, whether they’ve never claimed R&D benefits or have been claiming them for years.

Briefly, in general, we help:

- Develop an understanding of how your company develops and improves its products, processes, and software
- Determine which of the stages of that process comprise qualified elements of a process of experimentation; and
- Identify and document your qualified activities, projects, and costs in terms of those stages/elements, which themselves include the statutory “four-part test” requirement and exclusions.

This is typically done very early, because most companies’ accounting and documentation systems are tied directly to these stages/elements. This approach is also very effective because ties your facts – your costs and activities – directly to the law. This enables us to effectively “tie your facts to the law” and makes it more likely that all of your R&D benefits will be identified and supported on exams.

## Our Results

Following this approach, we’ve found more than \$2.5 billion in benefits not previously claimed and supported more than 90% of those claims on exam or at appeals.

## What Qualifies?

*Lab Coats Not Required: Available to All Industries*

You do not have to work in a lab or for a high-tech company to qualify.

We have helped companies in almost every industry claim and support R&D benefits.

- Aerospace
- Biotech
- Computer hardware
- Distribution
- Engineering services
- Food manufacturing
- Government contracting
- Manufacturing
- Oil and gas
- Retail
- Software
- Transportation
- Automotive
- Chemical manufacturing
- Consumer products
- Energy
- Financial services
- Furniture
- Life sciences
- Medical manufacturing
- Pharmaceuticals
- Services
- Telecommunications
- Utilities

Generally, if you pay or perform services to develop or improve a product or process in any of the following areas, you may have an R&D credit:

- Engineering
- Software development
- Computer sciences
- Biological sciences
- Physical sciences

More specifically, if you attempt to develop or improve any of the following, you may have an R&D credit:

- Products
- Processes, e.g., manufacturing processes
- Software:
  - For sale
  - For internal use, e.g., to monitor, control, or support:
    - Production processes
    - Customer services
    - Distribution centers
    - Supply chain management
    - Product development
- Formulae, e.g., used in food manufacturing
- Techniques
- Inventions