YOUR RESPONSE IS REQUIRED BY LAW. Title 13, United States Code, requires businesses and other organizations that receive this questionnaire to answer the questions and return the report to the U.S. Census Bureau. Respondents are not required to respond to any information collection unless it displays a valid approval number from the Office of Management and Budget (OMB). The OMB number appears at the top of this page.

YOUR RESPONSE IS CONFIDENTIAL BY LAW. Title 13, United States Code, requires that your response be seen only by persons sworn to uphold the confidentiality of Census Bureau information and may be used only for statistical purposes. Further, copies retained in respondents’ files are immune from legal process.

Why did your company receive this survey?

The Census Bureau surveys a broad cross section of U.S. businesses to better identify which companies engage in R&D activities. Even companies that have no R&D activity are required to complete the survey. The data all companies provide are used to produce economic indicators related to sales, employment and patenting. The focus of this survey is R&D that is performed under contract for the federal government and other customers.

What is Research and Development (R&D)?

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 (development).

This survey is jointly conducted by the U.S. Census Bureau and the National Science Foundation –
The term R&D does NOT include expenditures for:
- 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

**Does R&D include development of software and Internet applications?**

Only development of software and Internet applications that include an element of uncertainty and that are intended to close gaps and meet scientific and technological needs should be reported as R&D on this survey.

R&D activity in software includes:
- Development of new software
- Significant improvement of existing software based on new/novel methods and applications
- Construction of new theories and algorithms in the field of computer science

R&D activity in software does NOT include:
- Creation of new software based on known methods and applications
- Support for existing systems
- Conversion or translation of existing software and software languages
- Adaptation of a product to a specific client, unless knowledge that significantly improved the base program was added in that process
- Routine debugging of existing systems and software

**Reporting period**

Report data for the calendar year 2012, if possible, or for your company’s fiscal year ending between April 2012 and March 2013.

**Estimates are acceptable**

Please report all items to the best of your ability.
## Company Information

1. Please provide the name and phone number of the person completing this survey.

   **Name**

   **Telephone**
   - Area code
   - Number
   - Extension

   **E-mail address**

## R&D paid for by others

2. What were your company’s total worldwide costs (both direct and indirect) in 2012 for the following that were funded, paid for, or reimbursed by others not owned by your company?

   **Exclude:**
   - Payments in excess of the actual cost of the work performed (such as profit or fees)

   a. Defense RDT&E goods or services (including DOD 6.1 through 6.7 funding), provided as a prime or as a sub, to the government and/or government contractors

   b. R&D paid for by government or private foundation grants

   c. Nondefense custom software development and/or computer systems designed for others not owned by your company

   **Exclude:**
   - Software development that does not depend on a scientific or technological advance, such as adding functionality to existing application programs, debugging systems, and adapting existing software

   d. Prototype development, production, and testing for customer’s products prior to their introduction to the market (excluding defense-related prototyping reported in line a)

   e. All other R&D, not included above, provided to the Federal Government or to others not owned by your company

   **f. Total**
### How much of the amount reported in Question 2, line f, was paid for by each of the following?

If your company is a subcontractor or subgrantee, report the original source of funds.

**Example:** Company Sub Inc. performs custom software development for a large defense company as a subcontractor on a contract with the U.S. Dept. of Defense. Even though Sub Inc. is working directly for the defense company, it reports the cost of this development in line d because the Dept. of Defense was the original source of funds.

<table>
<thead>
<tr>
<th>Description</th>
<th>$Bil.</th>
<th>Mil.</th>
<th>Thou.</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. U.S. federal government agencies or laboratories</td>
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<tr>
<td>b. Other companies located <strong>inside</strong> the United States</td>
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<tr>
<td>c. Other companies located <strong>outside</strong> the United States</td>
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<tr>
<td>d. U.S. state government agencies or laboratories</td>
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<tr>
<td>e. Foreign government agencies or laboratories</td>
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<tr>
<td>f. All other organizations <strong>inside</strong> the United States</td>
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<tr>
<td>g. All other organizations <strong>outside</strong> the United States</td>
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<tr>
<td>h. <strong>Total</strong> (equals Question 2, line f)</td>
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### How much of the amount reported in Question 3, line a, was paid for by the following agencies?

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<thead>
<tr>
<th>Description</th>
<th>$Bil.</th>
<th>Mil.</th>
<th>Thou.</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Department of Defense</td>
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<tr>
<td>b. Department of Energy</td>
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<tr>
<td>c. National Aeronautics and Space Administration</td>
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<tr>
<td>d. National Institute of Health</td>
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<tr>
<td>e. Department of Homeland Security</td>
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<td>f. Department of Transportation</td>
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<tr>
<td>g. Environmental Protection Agency</td>
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<tr>
<td>h. National Science Foundation</td>
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</table>
### Employees

**5** What was the total number of worldwide employees working at your company for the pay period that included March 12, 2012?

*Include:*
- Full- and part-time employees

*Exclude:*
- Leased or temporary employees and on-site consultants

**6** How many of the employees reported in Question 5 were employees of your company’s domestic operations and foreign operations?

**Domestic operations employees** include all employees whose payroll was reported on the first quarter filing of IRS Form 941, Employer’s Quarterly Tax Return.

<table>
<thead>
<tr>
<th>(1) Domestic operations</th>
<th>(2) Foreign operations</th>
<th>(3) Total employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td></td>
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</tbody>
</table>

Total equals Question 5

**7** How many employees reported in Question 6 were R&D employees?

**R&D employees include** all employees who work on R&D or who provide direct support to R&D, such as researchers, R&D managers, technicians, clerical staff, and others assigned to R&D groups.

**All other employees include** employees who provide indirect support to R&D, such as corporate personnel, security guards, and cafeteria workers.

<table>
<thead>
<tr>
<th>(1) Domestic operations</th>
<th>(2) Foreign operations</th>
<th>(3) Total employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. R&amp;D employees</td>
<td></td>
<td></td>
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<tr>
<td>b. All other employees</td>
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<td></td>
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<tr>
<td>c. <strong>Total employees</strong></td>
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<td></td>
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</tbody>
</table>

Total line equals Question 6
8 Of the domestic R&D employees reported in Question 7, line a, what was the number of full-time equivalent (FTE) R&D employees working at your company for the pay period that included March 12, 2012?

Full-time equivalent (FTE) R&D employees are an estimate of the manpower devoted to R&D activities. Count each full-time R&D employee as 1 FTE and all other employees based on the fraction of their time devoted to R&D. These amounts may be less than those reported in Question 7, line a.

(1) Domestic operations

FTE R&D employees . . . . .

9 Approximately how long did it take to complete this survey?

Remarks (Please use the space below for any explanations that may help us understand your reported data.)

Thank You – Your Response is Important

Accurate and timely statistical information could not be produced without your continued cooperation and goodwill. Thank you.

We estimate that it will take from .5 to 6 hours to complete this form, with 1.5 hours being the average. This includes time to read instructions, develop or assemble materials, conduct tests, organize and review the information, and maintain and report the information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to:

Paperwork Project 0607-0912
U.S. Census Bureau
4600 Silver Hill Road
AMSD-3K138
Washington, D.C. 20233

You may e-mail comments to Paperwork@census.gov; use “Paperwork Project 0607-0912” as the subject.

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