

MAXRND · BY SOFTLOGIC SOLUTIONS

# R&D Tax Incentive Compliance Guide

Optimise your R&D processes, effortlessly capture every eligible dollar, and claim your full entitlement with confidence.

**70% of eligible Australian businesses are not claiming.**

This guide shows you exactly how to determine eligibility and submit a fully compliant claim.

**43%**

Government refund on eligible R&D spend

**30–50%**

Average claim increase using the framework

**6**

Steps to a complete, audit-ready R&D system

***"Documentation or doom."***

— DISR

## THE FOUNDATION

## What is the R&D Tax Incentive?

The R&D Tax Incentive is a targeted, generous, and accessible entitlement program administered by DISR and the ATO. It helps Australian businesses offset the cost of conducting eligible R&D — with a cash refund of up to **43.5% for small companies** and a **38.5% tax offset for larger companies**.

The program is available to companies of all sizes across all industries. Since it is **self-assessed**, the quality of your records determines both how much you can claim and whether you can defend that claim at audit.



## WHY ENHANCED RECORD-KEEPING MATTERS

## Better Records = A Bigger, Safer Claim

Because the R&D Tax Incentive is self-assessed, the burden of proof rests entirely with you. If DISR issues a Request for Information (RFI), you have **30 days to substantiate claims going back up to 5 years**. Without a documented, repeatable record-keeping system, that is an impossible task.

**Enhanced record-keeping allows you to legitimately claim more:**

- 1 Core R&D Activities**  
Activities that generate new knowledge through systematic experimentation — the heart of your claim.
- 2 Supporting R&D Activities**  
Activities required to facilitate the Core R&D experiments — often overlooked, but fully claimable.
- 3 Supporting Activities**  
Business functions that directly enable R&D — HR, manufacturing, quality assurance — all potentially eligible.
- 4 Compliance Effort**  
A documented, repeatable system lets you substantiate every dollar claimed — with confidence, not panic.

## WHY THE FRAMEWORK WORKS

## Framework Benefits

The MaxRnd 6-Step Framework is built around one principle: **be prepared for an audit rather than react to one**. Following the framework consistently results in a larger, cleaner claim — and genuine peace of mind.

**Ensures Nothing is Missed**

Systematic processes capture all eligible costs — including ones most businesses consistently overlook.

**Records Are Always Complete**

Contemporaneous documentation means records exist at audit time — not reconstructed later.

**Proven to Save Time**

Record-keeping integrated into daily operations eliminates the annual scramble at claim time.

**Reduces Costly Errors**

A documented, repeatable process eliminates the trial-and-error approach that exposes businesses to audit risk.

**Staff-Independent**

If a key R&D champion leaves, your process manual ensures records remain complete and accessible.

**30–50% Average Increase**

Businesses routinely discover significant unclaimed entitlements after implementing the framework.

## COMMON CONCERNS ANSWERED

## Questions We Hear Every Time

**How do I increase my cash rebate?**

Legitimately maximise your refund by ensuring all R&D expenditure is captured and traceable to eligible activities. Extracting Core R&D and Supporting Activity costs for your annual claim becomes straightforward.

**How can I be certain we're audit-ready?**

When DISR sends a Request for Information, you have 30 days to substantiate claims going back 5 years. Process-driven, contemporaneous record-keeping eliminates the frantic search for information.

**What if a key R&D champion leaves?**

Audits can occur years after a claim. An R&D Process Manual that captures how your business assesses, plans, manages, and records R&D makes processes staff-independent — records are always locatable.

**Was all the R&D we claimed eligible?**

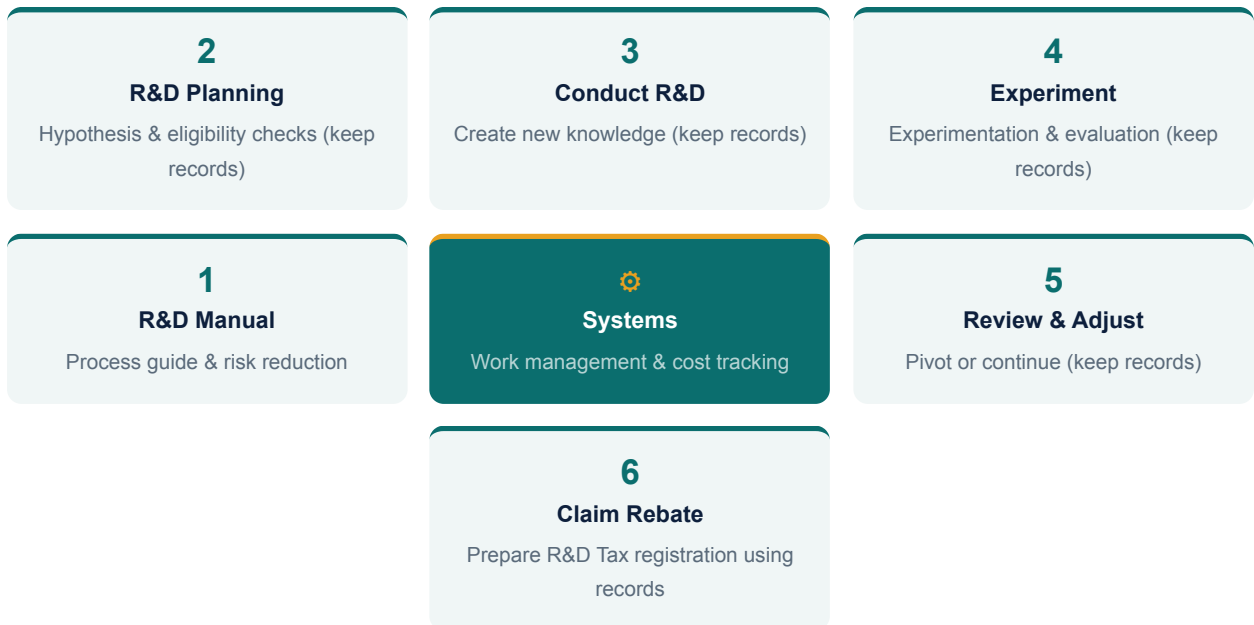
Eligibility assessment has many nuances. Building eligibility criteria into your standard planning process — and training your team to apply them — ensures every activity genuinely qualifies.

THE MAXRND FRAMEWORK

## 6 Steps to Maximise Your R&D Tax Incentive

Businesses that capture all the required records to survive an audit consistently increase their claims by **30–50%** — simply because thorough documentation justifies more eligible costs. The 6-Step Framework is structured around two objectives:

<p><b>OBJECTIVE 1</b></p> <p><b>Achieve Compliance Readiness</b></p> <ul style="list-style-type: none"> <li>✓ <b>Step 1</b> Develop a cross-department R&amp;D Tax Compliance Manual</li> <li>✓ <b>Step 2</b> Implement Compliant Planning and Record-Keeping</li> <li>✓ <b>Step 3</b> Establish Management Systems to automate Record-Keeping</li> </ul>	<p><b>OBJECTIVE 2</b></p> <p><b>Continuously Improve to Reduce Risk</b></p> <ul style="list-style-type: none"> <li>✓ <b>Step 4</b> Periodic Spot Checks of Project/Activity Records</li> <li>✓ <b>Step 5</b> Regular Detailed Auditing of Records</li> <li>✓ <b>Step 6</b> Periodic Compliance Assessment and Reporting</li> </ul>
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**Key insight:** The 6-Step Framework is not a one-off exercise. Steps 1–3 establish your compliance foundation; Steps 4–6 create a continuous improvement loop that keeps your records clean, current, and audit-ready at all times.

**Step 1** R&D Tax Compliance Manual

To receive maximum substantiated benefits from the R&D Tax Incentive, businesses first need to achieve **Compliance Readiness** — the state where your systems and processes can consistently produce records that substantiate your claim. This requires:

**Diligent identification** of eligible R&D Projects and Activities — ensuring nothing qualifying is overlooked.

**Appropriate systems and processes** to track, evaluate, and record R&D expenditure — consistently and efficiently.

**STEP 1**

**Develop a Cross-Department R&D Tax Compliance Manual**

The R&D Compliance Manual is the backbone of your entire compliance system. It documents the end-to-end processes your business will follow to satisfy R&D Tax Incentive guidelines and produce the required records — consistently, year after year.

**What the Manual Must Cover**

- ✓ Responsibilities of each department in the R&D process
- ✓ How Core and Supporting R&D is planned and managed
- ✓ How R&D is measured and documented day-to-day
- ✓ How record-keeping integrates into existing operations
- ✓ Amendment process for continuous improvement

**Why It Matters**

- ✓ Records are consistent from year to year
- ✓ Process can be reviewed and audited independently
- ✓ Improvements are captured as formal amendments
- ✓ Staff changes don't break the system
- ✓ Reduces overhead and resistance from team members

THE MANUAL CREATES FOUR OUTCOMES

- ↑ Streamline R&D Processes
- Integrate Record-Keeping
- ↓ Lower Audit Risk
- \$ Maximise Tax Claim**

## Compliant Planning and Record-Keeping

Compliant R&D planning and record-keeping must become an essential, ongoing part of your business operations — not an annual afterthought. When embedded correctly, it does far more than satisfy compliance requirements.

### Why Compliant Planning Matters

- 1 Improves R&D Outcomes**  
Encourages strategic thinking about R&D, providing structure and focus that leads to better commercial results, not just better records.
- 2 Manages Tax Risk**  
Establishes compliance with program requirements through ongoing review, making audits manageable rather than threatening.
- 3 Streamlines Registration**  
When records are current, preparing the annual DISR registration application becomes a simple reporting exercise rather than a reconstruction.
- 4 Automates Record-Keeping**  
Records embedded in day-to-day operations are generated automatically without extra overhead for separate documentation effort.

### What Compliant Records Must Demonstrate

#### Eligibility Determination

Records of how and why each activity was assessed as eligible — criteria must be documented, not assumed.

#### Contemporaneous Capture

Records kept at the time R&D is conducted — not retrospectively assembled. DISR reviews the timing of records at audit.

#### Cost Linkage

R&D activities linked directly to expenditure using tools and systems — enabling routine reporting that substantiates claimed amounts.

#### Pre-Commencement Assessment

Projects identified and assessed before commencement — not categorised as R&D retrospectively after the work is complete.

#### Clear & Sufficient Evidence

Records demonstrating that claimed activities took place and met the statutory definition of Core R&D or Supporting R&D.

#### Satisfy R&D Manual Standards

All processes and records conform to the R&D Manual — providing a consistent, reviewable baseline for every claim year.

**Remember:** DISR can request information on claims going back 5 years. Every month of contemporaneous records now is a month you don't have to reconstruct under pressure later.

## Management Systems and Processes

The R&D Tax Incentive requires a **strong link between the management of your R&D portfolio and your annual tax return process**. That link is created through integrated, appropriate business systems — not through manual collation at year-end.

Appropriate use of selected systems and processes reduces your compliance costs and dramatically lowers risk should your business be selected for an DISR R&D Tax Incentive risk review.

### The 7 Systems That Form a Compliant R&D Operation

- 1 Product Planning Processes**  
Determine eligible R&D goals and evaluate investment ROI before committing resources. Establishes the strategic case for each R&D program.
- 2 Project Planning Processes**  
Plan the work breakdown, resources, and timelines for each R&D project — creating the structure that all subsequent records hang from.
- 3 Work Assignment Systems**  
Assign tasks and track progress at the activity and task level — generating automatic evidence that R&D work was performed as planned.
- 4 Knowledge Management Systems**  
Record knowledge searches, prior art reviews, and design decisions — demonstrating the systematic investigation required for Core R&D eligibility.
- 5 Time & Cost Tracking Systems**  
Track costs directly to R&D activity tasks using timesheets — creating the cost-to-activity link that is central to substantiating claimed expenditure.
- 6 Experimental Result Tracking**  
Capture experimental hypotheses, methodologies, and outcomes — the scientific evidence that activities meet the Core R&D definition.
- 7 Financial Reporting Systems**  
Report expenditure by Project, Activity, and Task — enabling rapid, accurate preparation of the annual claim with full traceability from cost to activity.

**Practical guidance:** You don't need to implement all seven systems from scratch. The MaxRnd training and R&D Manual help you identify which systems you already have, which need adjustment, and which gaps need to be filled — minimising the overhead of compliance.

**Step 4** **Periodic Spot Checks**

Once Compliance Readiness is achieved, the next objective is to **maintain and continuously improve** your record-keeping through regular reviews. This prevents the slow erosion of standards over time — which is one of the most common reasons businesses fail audits years after implementing a system.

A periodic review of R&D Incentive record-keeping will mitigate the possibility that an DISR risk review cannot be substantiated. The three recommended review types are: **Daily/Weekly Internal Reviews, Periodic Spot Checks, and Periodic Detailed Reviews.**

**STEP 4**

**Periodic Spot Checks**

Spot checks are lightweight, regular reviews designed to catch record-keeping lapses early — while corrections are still practical. The R&D Manual specifies the records that should exist at each stage of the R&D lifecycle, from Planning and Implementation through to Experimentation and Evaluation.

**How to Conduct a Spot Check**

- ✓ Select one project and one activity at random
- ✓ Verify that specified records exist in systems
- ✓ Confirm records are contemporaneous, not retrospective
- ✓ Check that costs are linked to the activity correctly
- ✓ Note gaps and assign corrective actions

**Why Real-Time Correction Matters**

It is vital to ensure records are kept **contemporaneously with the R&D activities** so they capture the exact reason for undertaking the R&D. Records that appear to have been created retrospectively are a major red flag during DISR reviews.

Identifying and correcting a lapse one month after it occurs is vastly easier than reconstructing 12 months of missing evidence before a claim deadline.

**Recommended Cadence**

<p><b>Daily</b></p> <p>Team members self-check their own task records at end of day</p>	<p><b>Weekly</b></p> <p>Team lead reviews records for the week across active activities</p>	<p><b>Monthly</b></p> <p>R&amp;D champion spot-checks one full project against the R&amp;D Manual</p>
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**Step 5** Periodic Detailed Auditing

In addition to monthly spot checks, your team needs to undertake a **detailed, evidence-level review** of one or more Projects or Activities on a quarterly basis. This goes deeper than confirming records exist — it verifies that the records are complete, correct, and that the exact process steps documented in the R&D Manual are being followed at the day-to-day work level.

**What a Detailed Audit Involves**

- ✓ Physical sighting of records — on paper and in systems
- ✓ Verify process steps match the R&D Manual exactly
- ✓ Confirm records link correctly to project, activity, and task
- ✓ Review experimental hypothesis and outcome documentation
- ✓ Check cost allocations against timesheets and financial records
- ✓ Validate eligibility criteria were applied and documented
- ✓ Confirm knowledge search records are present

**Recommended Quarterly Scope**

Examine one or more projects and their associated activities in full detail — tracing the complete evidence chain from planning through to cost allocation.

**Why Quarterly?**

Quarterly reviews ensure you can still practically address gaps before the end of the financial year. Annual reviews are too late — gaps discovered in June cannot be remediated before the July claim deadline.

*"If you wait until your adviser asks for the records in June, you've already lost. The audit question isn't 'can you find the records?' — it's 'were they there when the work was done?'"*

GEORGE MIRABELLI — FOUNDER, MAXRND BY SOFTLOGIC SOLUTIONS

**Difference Between Spot Checks and Detailed Audits****Spot Check (Monthly)**

Lightweight. Confirms records exist. One project, one activity. Catches emerging lapses early. Takes 30–60 minutes.

**Detailed Audit (Quarterly)**

Comprehensive. Verifies records are complete, correct, and linked. Tests the full evidence chain. Takes half a day. Produces a written finding.

# Periodic Compliance Assessment Report

The Compliance Assessment Report is the formal output of your ongoing review cycle. It documents how compliant your record-keeping has been since the last review, identifies gaps or lapses requiring remediation, and makes recommendations that drive continuous improvement of your R&D Manual and processes.

A well-maintained compliance report is itself a **valuable piece of audit evidence** — it demonstrates to DISR that your business takes its compliance obligations seriously and has proactively identified and addressed any shortfalls.

## Observation Classification System

All findings from your spot checks and detailed audits are classified into one of three levels, triggering defined response actions:

<p style="text-align: center;"><b>CRITICAL</b></p> <p>Immediate action required. Records are missing, incorrect, or create material audit exposure. Escalate and remediate within the current week.</p>	<p style="text-align: center;"><b>HIGH</b></p> <p>R&amp;D Manual has an omission or ambiguity that is causing repeated non-compliance. Update the Manual within the current reporting period.</p>	<p style="text-align: center;"><b>LOW</b></p> <p>Action needed in the next period to improve record-keeping adherence. Schedule for review at the next spot check or quarterly audit.</p>
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## What the Report Should Contain

- ✓ Review period and scope covered
- ✓ Projects and activities examined
- ✓ Summary of compliance adherence by department
- ✓ All Critical, High, and Low observations with detail
- ✓ Root cause analysis for each finding
- ✓ Recommended R&D Manual amendments
- ✓ Staff training needs identified
- ✓ Sign-off by R&D champion and management

### RECOMMENDED REPORTING CADENCE




## IMPLEMENT THE FRAMEWORK TODAY

## R&D Tax Incentive with Templates — Online Course

This eBook gives you the framework. The **R&D Tax Incentive with Templates** course gives you everything you need to actually implement it — recorded training, a guided gap analysis, and a complete library of legislation-aligned templates, all in one self-paced program.

 Recorded video training

 Self-paced — learn when it suits

 Ideal for 1–5 R&D projects/year

 8+ ready-to-use templates

 \$400 Complete Pack included free

### Your Learning Journey — 5 Modules

#### 1 Introduction & Orientation

Course overview, how to use the templates, what the ATO requires, and the most common mistakes to avoid from day one.

#### 2 Record Keeping Strategy Training

R&D record-keeping fundamentals, understanding the records flow, sector-specific requirements, eligibility criteria, and implementation planning — guided by the 6-Step Framework.

#### 3 Records Gap Analysis Workbook

Review your product strategy, project planning, experiment, and cost records against the framework. Produce a Gap Analysis Report specific to your business — identifying exactly what needs fixing.

#### 4 R&D Tax Information Session

Deep dive into the legislation — Core vs. Supporting activities, eligible expenditure categories, registration requirements, deadlines, and ATO compliance expectations.

#### 5 Templates Implementation & Practical Application

Walk through the Template User Manual, set up each template in your workflow, and apply them to your actual R&D projects — from product strategy through to cost analysis.

COMPLETE PACKAGE

# Everything That's Included

## Essential Templates Pack

8+ templates covering the complete R&D documentation lifecycle

- ✓ Product Strategy Template
- ✓ R&D Project Planning Template
- ✓ Experiment Planning Template
- ✓ Experiment Results Template
- ✓ Core Activity Cost Analysis Template
- ✓ Supporting Activity Cost Template
- ✓ R&D Tax Implementation Checklist
- ✓ Comprehensive Template User Manual

## Complete Templates Pack

\$400 FREE

Advanced R&D process templates

- ✓ R&D Process Manual Template
- ✓ R&D Process Diagram Pack
- ✓ R&D Manual Checklist
- ✓ R&D Management Dashboard
- ✓ Advanced Project Tracking Templates
- ✓ Multi-Team R&D Record Templates
- ✓ R&D Portfolio Overview Template

### Is This Course Right for You?

#### This course is a perfect fit if you:

- ✓ Are running 1–5 R&D projects per year
- ✓ Want to start claiming the R&D Tax Incentive
- ✓ Claim already but suspect you're missing opportunities
- ✓ Want records that are self-consistent and audit-ready
- ✓ Need templates your whole team can adopt immediately

#### Your instructor — George Mirabelli

30+ years managing product design and engineering at Lockheed, Telstra, Rockwell, Wesfarmers and MYOB. Founder of Softlogic Solutions.

**30–50%**

Average claim increase

**30+**

Years R&D expertise

**43%**

Max govt refund

**Enrol at [www.maxrnd.com.au](http://www.maxrnd.com.au)**

Both template packs included — \$400 of additional value at no extra cost.

Questions?

**0403 398 807**

[getstarted@softlogicsolutions.com.au](mailto:getstarted@softlogicsolutions.com.au)

READY TO MAXIMISE YOUR CLAIM?

# Stop Leaving R&D Tax Money Behind

Join the Australian businesses that have transformed their R&D record-keeping — and their annual tax refund. The MaxRnd course gives you everything you need to implement the 6-Step Framework from day one.

## R&D TAX INCENTIVE WITH TEMPLATES — INCLUDES

- ✓ Recorded training videos — self-paced, revisit anytime
- ✓ 6-Step R&D Tax Process Framework eBook
- ✓ Essential Templates Pack (8+ templates)
- ✓ **Complete Templates Pack** — **\$400 value, included free**
- ✓ R&D Process Manual Template
- ✓ R&D Tax Implementation Checklist
- ✓ R&D Management Dashboard and Diagram Pack

[Enrol Now →](#)

[View Course Details](#)

Prefer to talk first? Get in touch for a Strategy Session.

0403 398 807

[getstarted@softlogicsolutions.com.au](mailto:getstarted@softlogicsolutions.com.au)

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