

ADDITIONAL NOTESSTAGING OF AN INVESTIGATION

Please note that if the proposed project for investigation is to be staged, no commitment can be given by the Board on the approval of subsequent stages. Requests for approval of subsequent stages will be considered at the time of these applications in the context of the grant policy and criteria applying at that time.

GST

If the applicant is registered for GST, the GST portion of the grant (one ninth) will have to be accounted for as output tax. Make sure that GST is included in the cost breakdown on the application form.

For goods and services which do not have GST added, such as wages, provision still has to be made for GST in the application, because this has to be paid on the grant to Inland Revenue.

If the applicant is not registered, the applicant will still have to pay GST on goods and services purchased during the investigation. Make sure therefore that provision is made for this in the application.

Note that it is necessary to declare the grant in the applicant's tax return, but not as assessable income. However, if the applicant claims for expenditure related to the grant, the applicant is required to deduct the grant from this.

RESIDUAL VALUE

Residual value should be applied to any item which is larger scale than is necessary for an investigation. The amount to be deducted should be equivalent to the market value of the item at the conclusion of the investigation - eg if someone wanted to build a packing shed as opposed to hiring/leasing space, then this would have residual value applied because it is clearly on a scale bigger than necessary for the investigation.

SALES REVENUE

75 percent of expected sales revenue is to be deducted from eligible costs.

EXAMPLE OF COST BREAKDOWNInvestigation of a New Product, Technology, Process or ServiceProfessional Fees

(XYZ consultants - Please specify individually and itemize their fees) eg preparation of feasibility study and costings to design and/or manufacture the product, etc) X

Accountancy Costs

Financial viability report, Business Plan preparation, budget cash flows X

Legal Fees

(XYZ Solicitors - Please specify individually, itemize their services and fees) X

Market Research

X

Prototype/Other Investigation Costs

Contract labour costs (own costs do not qualify) X

Machinery time: No of hours at \$X per hour X

Materials (please itemize) X

Travel

X

Accommodation (State number of nights and where?)

Meals

Own Vehicle (Please state places to be visited and mileage @ .25 cents per kilometre)

Airfare

Public Transport

Administration

X

Tolls, postage, fax, photocopies, etc and other overheads directly related to the investigation.

X

TOTAL  
50 percent

X  
X