R&D Value May Be Hiding in Your Client Billing Data

23/07/2026 3:55 pm IST

Some finance teams assume R&D time tracking has to begin with a new timesheet. In client-billing businesses (agencies, engineering consultancies, software shops working on client engagements), a useful record may already exist. Billing systems often already contain timestamped accounts of who worked on what, and for how long. That data lacks some of the details necessary for R&D tracking, so it will not identify qualifying R&D on its own. However, it can still provide a valuable starting point and reduce the need to duplicate information that employees already record elsewhere.

Why billing data is a legitimate starting point

There's no requirement that R&D time evidence come from a single, purpose-built source. Enterprise Resource Planning (ERP) systems, purchase ledgers, expense platforms, project tools, and billing records can all contribute to a defensible evidence set when their role is clear.

Where a business already records hours against client work, the billing system may provide person, date, duration, and engagement-level detail. The remaining task is to connect the recorded time to the technological uncertainty and investigation in order to identify qualifying R&D work.

What tends to get missed

Client engagements can contain technical problem-solving that goes beyond routine delivery, unspecified by the billing record. An engineer may have to investigate a novel integration, test several approaches, or resolve a limitation that a competent professional could not address using standard techniques.

This creates a risk of under-capture. The time was recorded, but nobody reviewed the engagement through an R&D qualification lens. A useful review therefore asks which engagements involved technological uncertainty, what evidence supports that conclusion, and what portion of the recorded effort relates to the qualifying investigation.

BILLING DATA	R&D MAPPING	REQUIRED FOLLOW-UP
Person, date, and duration	Identifies who worked, when, and for how long	Link the recorded time to the qualifying technical investigation
Client engagement or project	Connects recorded hours to a specific body of work	Review the engagement for technological uncertainty
Work descriptions and project records	May evidence novel integrations, testing, or technical limitations	Confirm what evidence supports R&D qualification
Recorded hours and exports	Provides a basis for calculating qualifying effort and uploading data	Identify the portion of time related to the qualifying investigation

A diagram on billing data's relationship to R&D time tracking

What this means in practice

Before building a new R&D time-tracking process, it's worth auditing what billing data already exists and whether any of it maps to qualifying activity. Assess its level of detail, consistency, exportability, and connection to project records. ReaDI-Watch works to support the export formats of the systems customers use for easy upload of data onto the platform. Billing data is incomplete as a standalone R&D record, but it can be a stronger starting point than jumping fully to a parallel, repetitive tracking system.