Why Real-Time R&D Financial Tracking Doesn't Mean Full Automation

18/08/2026 3:00 pm IST

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It is tempting to imagine a fully automated R&D financial tracking system that ingests accounting data and produces a defensible R&D spend figure at the click of a button. Every primary source cited in this series describes apportionment in terms of judgement. The guidance refers to a "just and reasonable basis", records that are "bona fide, reasonable, and based on the facts", and a company director choosing a percentage they can stand behind.

Removing that judgement can produce a faster number, but the result may be less accurate and less defensible. That doesn't mean automation has no role. The practical goal is to bring judgement forward and make it easier to apply consistently, while retaining the human assessment the rules require.

What "real-time" actually requires

A workable real-time approach needs three things working together:

- Front-loaded rules. Staff time thresholds, cloud apportionment, capital asset use, subcontracting caps and group allocation can often be defined as structured questions before the fact, even if the answer to each still requires a person's judgment in the moment.
- Continuous, lightweight capture. Perfect documentation of every hour and every euro, pound or dollar is unnecessary. It's capturing the judgment call close enough to when it was made that it remains credible later.
- Clear ownership. Real-time tracking only works if someone is accountable for the ongoing judgment calls.

What this means for your next claim cycle

Claims built entirely from retrospective reconstruction rely on the least credible form of evidence each regime recognises, whether that's Ireland's Revenue, HMRC, or the CRA. Claims built from judgment captured as the work happened rely on the strongest form.

ReaDI Watch was built to help businesses capture the judgement required for R&D financial qualification as work progresses, with clear ownership. At year end, the finance team can summarise decisions that were made and recorded well, instead of rebuilding them under deadline pressure.