

35.001 Definitions.

Applied research means the effort that (a) normally follows *basic research*, but *may* not be severable from the related *basic research*; (b) attempts to determine and exploit the potential of scientific discoveries or improvements in technology, materials, processes, methods, devices, or techniques; and (c) attempts to advance the state of the art. When being used by contractors in cost principle applications, this term does not include efforts whose principal aim is the design, *development*, or testing of specific items or services to be considered for sale; these efforts are within the definition of "*development*," given below.

Development, as used in this part, means the systematic use of scientific and technical knowledge in the design, *development*, testing, or evaluation of a potential new product or service (or of an improvement in an existing product or service) to meet specific performance requirements or objectives. It includes the functions of design engineering, prototyping, and engineering testing; it excludes subcontracted technical effort that is for the sole purpose of developing an additional source for an existing product.

Recoupment, as used in this part, means the recovery by the Government of Government-funded nonrecurring costs from contractors that sell, lease, or license the resulting *products* or technology to buyers other than the Federal Government.

Parent topic: [Part 35 - Research and Development Contracting](#)