

4/30/2004

Research Credit Wage Issue Chart

Exhibit D

| <u>Department</u> | <u>Pre-Clinical</u> | <u>Clinical</u> | <u>Post Clinical</u> |
|----------------------|---------------------|-----------------|--------------------------|
| Biology | 1 | | |
| Pharmacology | 1 | | |
| Chemistry | 1 | | |
| Drug Metabolism | 1 | | |
| Pharma Development | 1 | 1 | |
| Analytical Chemistry | 1 | 1 | |
| Pharma Tech | 1 | 1 & 2 | |
| Drug Safety | 1 | 1 & 2 | |
| Biostatistics | | 1 & 2 | 1 & 2 |
| Clinical R&D | | 1 & 2 | 1 & 2 |
| Medical Services | | 2 & 3 | 2 & 3 |
| Medical Affairs | | 2 & 3 | 2 & 3 |
| Regulatory Affairs | | 4 | 4 |
| Drug Surveillance | | 4 | 4 |

Where is the audit issue?

- 1 = Do the salaries above first line manager qualify?
- 2 = Do these activities constitute qualified research?
- 3 = Does the activity constitute direct support of qualified research?
- 4 = This activity probably does not constitute qualified research or qualified services.

This chart does not address all potential research credit issues. See the the Research Credit ATG for a more in-depth discussion of potential issues.