

Commercial Licensing Guide

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Chapter 1: Introduction to Microsoft Commercial Licensing

Acquiring software licenses through Microsoft Commercial Licensing is different than acquiring retail boxed software licenses. A retail software license is usually sold in a box and contains media (CD-ROM or DVD format), a user's guide, access to product support, and Microsoft Software License Terms. The Software License Terms dictate how the software can and cannot be used.

Software acquired through Microsoft Commercial Licensing is a software license only that gives the right to run a Microsoft software product. Organizations can save above retail boxed software prices when they participate in a Microsoft Commercial Licensing program. By acquiring software licenses through Volume Licensing, organizations pay for only the software license and not for additional materials. Microsoft Commercial Licensing also offers Software Assurance, a single, cost-effective program that includes unique technologies, services and use rights to help customers deploy, manage, and use Microsoft software and services more efficiently. Software Assurance is only available through Volume Licensing and is included with some Volume Licensing agreements and is an optional purchase with others.

When acquiring software through a Microsoft Commercial Licensing agreement, there's a choice to acquire primary or supplemental media, documentation, and product support separately by download or physical media.

How to use this guide

This guide is an overview of the key features of Microsoft Commercial Licensing programs. The information is presented by organizational type and size, two of the most important keys to determining the best Commercial Licensing option. This guide is provided for informational purposes only. Your use of products licensed under your volume license agreement is governed by the terms and conditions of that agreement.

This document does not cover the Microsoft Customer Agreement or Microsoft's new commerce experience. You can learn more about the new commerce experience at www.microsoft.com/licensing.

The key chapters by organizational type are the following:

- Commercial business organization.
- Government organization.
- Academic organization.
- Nonprofit organization.
- Software and service partners.

Each chapter also contains information about the additional benefits and resources that are available with each agreement, such as software asset tracking tools, maintenance programs, and online management services. At the end of each chapter, there's a quick feature comparison chart and an online selection tool.

In addition, separate chapters provide overviews of the following two key areas that apply to most Commercial Licensing agreements in varying ways:

- **Product Terms.** This provides information about product availability across Commercial Licensing programs. It describes conditions on license acquisition in addition to product-specific terms, and conditions governing how Microsoft products can be used in the Commercial Licensing programs.
- **Software Assurance,** which helps customers enhance licensing value and improve business agility by providing a unique set of technologies, services, and product use rights in one cost-effective program.

Keys to understanding Microsoft Commercial Licensing

The following are a few key organizational characteristics to help understand Microsoft Commercial Licensing policies and agreements and help choose the best option for an organization:

- The size and type of an organization.
- The products and services that an organization wants to license.
- The way in which an organization wants to use those products.

Programs for the type and size of an organization

At the most basic level, the Microsoft Commercial Licensing agreement models address organizations in the following main categories:

- Organizations with more than five but fewer than 250 users or devices.
- Organizations with 250 or more users or devices.
- Organizations with 500 or more users or devices.
- Education organizations with 1,000 or more users and devices.

For organizations with fewer than 250 users or devices, Microsoft offers the following options:

- **Open Value** is for commercial and government customers with as few as five PCs and offers the advantages of Software Assurance, simplified license management, and an annual payment structure. Open Value offers organization-wide and non-organization-wide options. Open Value will be available to eligible education and nonprofit organizations in July 2021.
- **Open Value Subscription** is for commercial and government customers who want to subscribe to, rather than acquire, Microsoft product licenses. Available in select countries or regions, Microsoft Open Value Subscription provides the lowest up-front costs of the Open options with the flexibility for customers to reduce their total licensing costs in years when their desktop PC count declines. Open Value Subscription also has a one-year agreement option for eligible government customers.
- **Open Value Subscription for Education Solutions** is for eligible education customers that want to subscribe to Microsoft licenses and cloud services. This agreement offers low up-front costs with access to Microsoft software licenses and cloud services for the term of the agreement through subscription-based licensing.

For organizations with 250 or more users or devices, Microsoft offers the following options:

- **Microsoft Products and Services Agreement (MPSA)** is available for midsize and large commercial and government organizations that require 250 or more licenses for online services, software, and Software Assurance (optional), and do not want an Enterprise Agreement. It's also for organizations looking to make as-needed purchases.

For organizations with 500 or more users or devices, Microsoft offers the following options:

- **Microsoft Enterprise Agreement*** offers the best value to large commercial, government, and nonprofit organizations and provides the flexibility to buy cloud services and software licenses under one agreement in response to the changing technology landscape. The Enterprise Agreement offers a subscription option, which lowers initial licensing costs based on *subscribing* to the rights to use Microsoft products and services instead of *owning* them. The subscription option allows for an increase or decrease of subscription counts annually. With the subscription option, an organization can access Microsoft software for as long as they maintain their subscription.

**This minimum does not apply to the Server and Cloud Enrollment. The minimum requirement for public sector customers is 250 users/devices. For more information, please see the [Enterprise Agreement program guide](#).*

For education organizations with 1,000 or more users or devices, Microsoft offers the following options:

- **Enrollment for Education Solutions (EES)** provides qualified academic customers with 1,000 or more users a way to acquire Microsoft software and services under a single subscription agreement. The EES provides coverage for Education Platform Product cloud services through one annual count of Education Qualified Users, the ability to add additional products as needed, student licensing options, and the benefits of Microsoft Software Assurance.

Programs for services and solution providers

Microsoft offers programs that can meet the specific needs of organizations that partner with Microsoft to provide additional software and services:

- **Cloud Solution Provider program with the Microsoft Partner Agreement.** Cloud Solution Provider partners create and deliver differentiated offers to customers, selling the Microsoft cloud portfolio and third-party solutions from the Microsoft commercial marketplace alongside their own value-added solutions and services.
- **Microsoft Independent Software Vendor (ISV) Royalty Licensing and Distribution Agreement.** The Microsoft ISV Royalty Licensing Program is for ISVs who want a convenient way to license Microsoft products and integrate them into a unified solution. ISVs can then replicate the business solution and distribute a fully licensed solution to their customers.
- **Microsoft Services Provider License Agreement.** Microsoft Services Provider License Agreement is for service providers and ISVs who want to license eligible Microsoft products to host Microsoft software services and applications to end customers. The agreement provides the license rights to host specific Microsoft products.

Licensing on-premises software

Another key factor to consider—aside from organizational type and size—is which products and services an organization wants to license. Different product families fall under different licensing models. For example, a desktop application, such as Microsoft Office Professional 2016, requires a license for each device that is running the program locally or accessing the program on a network server. Customers can install any number of copies locally on licensed devices or on a network device for remote use by licensed devices. Only one user can use the software on, or from, a licensed device at any one time.

A desktop PC operating system, such as the Windows 10 Professional operating system, allows a customer to install one copy of the software on a licensed device or within a local virtual hardware system on a licensed device for each license the customer acquires.

In Commercial Licensing, the desktop PC operating system license is an upgrade license. Upgrade licenses can be acquired only for devices for which an organization already has licensed a qualifying operating system, either preinstalled on a PC through a PC manufacturer or as full packaged product from retail. The Product Terms shows the qualifying operating systems that qualify for an upgrade license. It is available on the Commercial Licensing website at www.microsoft.com/licensing/terms/productoffering.

Meanwhile, server products are licensed by server, processor, or core, and, in some cases, by access points. Some server products require a license for each running instance of the server software that an organization uses on a server—whether in a physical or virtual operating system environment. Other server products require licenses for each physical processor on the server or each core in the physical processors on the server. For example:

- Windows Server Standard is licensed by physical core and permits a running instance in up to two virtual operating system environments, plus one host instance on the physical device solely to manage the virtual instances on the licensed server.
- Windows Server Datacenter edition is also licensed by physical core but allows use of any number of instances of the software.
- Windows Server Essentials edition is a cloud-connected first server, ideal for small businesses with up to 25 users and 50 devices. Essentials is a good option for customers currently using the Foundation edition, which has been discontinued.

Note that the processor-based server licensing model has been retired. Legacy customers who still have rights to use earlier versions of Windows Server under the processor-based licensing model can find more information by downloading the [Windows Server 2012 R2 Licensing Guide](#).

Windows Server as well as some of the server application products (e.g., Microsoft Exchange Server or Microsoft SharePoint Server) require a Microsoft Client Access License (CAL) for each user or device that accesses the server software. CALs are version specific and must be the same version or later than the server software being accessed. CALs permit access to servers licensed by the same entity. They do not permit access to another entity's licensed servers. Essentials edition does not require Windows Server CALs to access the server.

Licensing Microsoft cloud services

In addition to traditional on-premises software licenses, Microsoft offers subscriptions to cloud services through Commercial Licensing agreements and standalone through the Microsoft Online Subscription Agreement. The Microsoft Online Subscription Agreement is a transactional licensing agreement for commercial, government, and academic organizations with one or more users/devices. The Microsoft Online Subscription Agreement works best for organizations that want to subscribe to, activate, provision, and maintain cloud services seamlessly and directly via the web. On-premises software and Software Assurance are not available through the Microsoft Online Subscription Agreement.

How an organization adds cloud services through Commercial Licensing depends on the following two factors:

- Whether an organization wants to purchase value-added partner services
- Whether an organization wants to standardize on Microsoft products organization-wide

Organizations wanting Microsoft cloud services should go through Microsoft Online Subscription Program or through a Cloud Solution Provider partner for value-added partner services. Customers that are 500 users/devices* and above who have or want to standardize on Microsoft products should use Enterprise Agreement.

Microsoft Financing

Microsoft Financing provides commercial and public sector customers with an affordable and predictable way to acquire the IT solutions that organizations want to help cut costs and increase efficiencies.

Microsoft works with multiple financing providers in 14 countries/regions around the world to offer financing solutions under the Microsoft Financing program. Microsoft Financing solution partners work with organizations to define their technology-related needs and objectives, set up a payment structure that works with an organization's budget, and help an organization maintain cash flow.

Microsoft Financing provides one financing resource for an organization's IT needs, including software, services, and product offerings. For organizations that already license software from Microsoft, flexible payment options are convenient and allow an organization to spread out the costs of the licenses during an extended period, thus preserving cash resources.

Microsoft Financing offers a simple and easy method of lending without any additional fees. Typically, no down payment is required, and terms range from two to five years, making it easy to match an organization's payments to their business operations and immediately begin to realize IT benefits.

Microsoft Financing helps an organization be strategic with their IT purchases in the following ways:

- Acquire the IT solution an organization needs to achieve their business goals.
- Manage software, services (such as deployment), partner products, and hardware as one investment.
- Align IT benefits with costs.
- Enjoy a fast, easy, and responsive lending process.

Find out how a predictable and affordable payment structure can help an organization get the IT they need and stay on budget. Visit the Microsoft Financing home page at www.microsoft.com/financing for more details.

Chapter 2: Choosing a Commercial Licensing program for commercial organizations

Microsoft offers a variety of agreements to help businesses of all sizes manage how they purchase software licenses. These agreements cover everyone from smaller organizations with a handful of devices/users to multinational organizations that manage tens of thousands of client and server units.

Volume discounts are the most obvious benefit of these agreements, but Commercial Licensing also helps organizations with the following tasks:

- Tracking software use to ensure legal compliance.
- Deploying updates and new versions, especially on devices/users.
- Organizing software license purchasing through centralized purchasing practices.

All organizations can also subscribe to online services through the Microsoft Online Subscription Program or through a Cloud Service Partner.

In general, Microsoft Commercial Licensing commercial agreements align to two main categories: those for companies with fewer than 250 users or devices and those for companies with 250 or more users or devices.

For organizations with up to 250 users or devices, the Microsoft Open Value agreements, Open Value and Open Value Subscription, have flexible, low-entry requirements. Open Value agreements offer three choices to meet an organization's specific needs, and they are all available from resellers, solution providers, and online vendors.

For organizations with 500 or more users or devices, Microsoft offers the Microsoft Enterprise Agreement.* For organizations with 250 or more users or devices, Microsoft offers the Microsoft Products and Services Agreement, Microsoft Open Value, and Open Value Subscription. options are available through Microsoft Licensing Solution Partners (LSPs) and Microsoft Enterprise Software Advisors (ESAs). Both LSPs and ESAs offer flexibility in payment schedules.

* The minimum requirement for public sector customers is 250 users/devices. For more information, please see the [Enterprise Agreement program guide](#).

Microsoft Open Value Program

Organizations with fewer than 250 users or devices

Open Value offerings—Open Value and Open Value Subscriptions—are a convenient and simple way for corporate, academic, nonprofit¹, and government² organizations with at least five devices/users to acquire the latest Microsoft technology. These offerings provide volume discounts for a minimal up-front cost and are available broadly through a worldwide partner channel. Although Microsoft Open Value and Open Value Subscriptions are available to any size organization, they are recommended for organizations with fewer than 250 users or devices.

The Open Programs offer many benefits, including the following:

- **Simplicity.** Start using licensed products as soon as an order is placed.
- **Affordability.** Open Value offers flexible payment options so that an organization can stretch their software procurement budgets further than they can with retail license purchase options.
- **Flexibility.** A broad worldwide partner channel ensures that an organization has convenient and fast access to thousands of software titles.
- **Value.** Manage licenses easily and conveniently through the Microsoft Commercial Licensing Service Center.

Microsoft Open Value options

There are three options available through the Microsoft Open Value: Open Value organization-wide, Open Value non-organization-wide, and Open Value Subscription. All Open Value options require a minimum of five qualified devices.

Open Value

The Open Value program is a flexible and affordable way to use and manage Microsoft licensed products under a single agreement. The program is a three-year term commitment that includes Software Assurance. The Open Value program has the following options from which to choose.

Organization-wide option

Open Value organization-wide offers commercial and government organizations additional savings for standardizing all their devices/users, devices/users on one or more Microsoft enterprise product. With this single platform option, an organization can customize their devices/users by choosing separate components, including the desktop operating system, Microsoft Office applications, and Office 365/CAL Suites, plus

¹ Not available for nonprofit organizations in all countries/regions. Check with a reseller regarding current availability.

² Open Value for Government is an option for government organizations with up to 250 users or devices.

additional software products selected in an organization's agreement that include the following platform product options:

- Desktop operating system: Windows Enterprise Upgrade.
- Microsoft Office applications: Microsoft Office Professional Plus and Office 365 Professional Plus.
- CAL Suites: Microsoft Core CAL Suite, Enterprise CAL Suite, Office 365 E1, Office 365 E3, Office 365 E5.

The Open Value organization-wide option includes discounts on organization-wide deployment.

Non-organization-wide option

If an organization needs licenses for servers or for a limited number of devices/users, they can open a non-organization-wide agreement for any product license purchases.

Open Value Subscription

Open Value Subscription offers flexible annual payments tied to the number of devices/users an organization has and the lowest up-front costs.

The benefits include:

- Additional savings in the first year if an organization has current or previous versions of organization-wide licensed products.
- The option to add the organization-wide licensed products that an organization has selected on new devices/users throughout the year at no additional cost for that year.
- Lower payment through the years as an organization's desktop PC count declines.

Like the organization-wide option, the Subscription option offers the Single-Platform option to standardize desktop PC software across an organization with a customizable platform that allows them to mix and match components.

Platform option

With both Open Value organization-wide and Open Value Subscription, an organization can choose to standardize desktop PC licensed products across an organization on all three components on the platform (desktop operating systems, Microsoft Office applications, and Office 365/CAL Suites) and receive additional savings. The platform option provides the simplest way to manage desktop PC licenses because an organization does not need to track which version is installed on which desktop PC.

Learn more about Open Value options at www.microsoft.com/licensing.

Microsoft Enterprise Agreement

Organizations with 500 or more users or devices

The Microsoft Enterprise Agreement offers the best value to organizations with 500 or more users or devices* (250 users or devices for Government customers) that want a Commercial Licensing program that gives them the flexibility to buy cloud services and software licenses under one three-year agreement.

Enterprise Agreement key attributes

At the onset of the agreement, pricing is based on a tiered volume discount structure for commercial organizations, meaning the greater the size of an organization, the less they pay per license. If an organization adds devices or users during their agreement, the per device/user licensing costs remain the same, or may be reduced, given the Enterprise Agreement volume pricing levels during their three-year agreement term. Government organizations have one price level, which is the equivalent of the lowest commercial price level.

All Enterprise Agreements include Software Assurance benefits that an organization can use to plan deployments, ready their users for new software, and support Microsoft products and services.

An organization can spread the cost of their Enterprise Agreement across three annual payments, helping predict future budgets. If they add new users or devices during their Enterprise Agreement, an organization can

equip them with software and services they are already using and then account for these changes once a year, through an annual reconciliation process known as True-up.

An organization can choose to either purchase their software licenses through the Enterprise Agreement or subscribe to licenses through the Enterprise Subscription option, which offers lower short-term costs and the ability to increase or downsize their subscriptions annually.

Enrollments under the Enterprise Agreement

Organizations can realize additional savings and benefits when buying the following Enrollments:

- **Enterprise Enrollment and Enterprise Subscription Enrollment** provides the best pricing per user, per device, or hybrid licensing flexibility, and simplified license management for end-user technologies from Microsoft. In the Enterprise Enrollment, on-premises licenses are generally perpetual; in the Subscription Enrollment, on-premises products are generally licensed on a subscription basis. Online Services are available in both Enrollments.
- **Server and Cloud Enrollment (SCE)** provides the best pricing, cloud-optimized licensing options, and simplified license management when buying one or more server and cloud technologies from Microsoft.

Enterprise Enrollment

The Enterprise Enrollment gives an organization the best value when they buy Microsoft end-user technologies on a per-user, per-device, or hybrid basis. It provides a range of benefits, including best pricing and terms, cloud and user-optimized licensing options, and simplified license management, when customers make an organization-wide commitment to Enterprise Products and Enterprise Online Services.

Tip...Subscribing to software license coverage through the Enterprise Subscription Agreement can potentially provide financial benefits since companies can treat it as an operational expenditure which may provide tax savings.

Enterprise Products and platforms

Enterprise Products include on-premises licenses for Microsoft core desktop products, such as Windows Enterprise Upgrade, Office Professional Plus, and the Core and Enterprise Client Access License (CAL) suites. Under the Enterprise Agreement, these must be licensed on an organization-wide basis and can be ordered as individual product components or together as a platform (with an additional discount).

The following Enterprise Products are included in the Professional Desktop Full Platform:

- Windows Enterprise Upgrade.
- Microsoft Office Professional Plus.
- Core Client Access License Suite.

The following Enterprise Products are included in the Enterprise Desktop:

- Windows Enterprise Upgrade.
- Microsoft Office Professional Plus.
- Enterprise CAL Suite.

For a complete list of Enterprise Products, refer to the Microsoft Product Terms, available on the Commercial Licensing website at www.microsoft.com/licensing/terms.

Microsoft 365 E3 and E5

Microsoft 365 is a per user licensing option that includes Office 365, Enterprise Mobility + Security, and Windows 10 Enterprise. Microsoft 365 is available in two options, E3 and E5. Microsoft 365 provides licensing flexibility in a single, per-user SKU, including new cloud-first, on-premises capable licensing rights to use to help subscribers transition from on-premises environments. Microsoft 365 E3 and E5 is available through the Enterprise Agreement (EA), Enterprise Agreement Subscription (EAS), Microsoft Products and Services Agreement (MPSA) for commercial and government customers, and in the Cloud Solution Provider (CSP) program for customers with cloud-only deployments.

How to get Microsoft 365

Microsoft 365 E3 and E5 is available through the Enterprise Enrollment or Enterprise Subscription Enrollment as a full USL, Add-on license, or an "From SA" USL. Here are the licensing options:

License	Who it's for	Orderable at
Microsoft 365 Full USL	<ul style="list-style-type: none"> New EA/EAS customers who want to license the Enterprise Platform as cloud services on a per user basis Existing EA/EAS customers who: <ul style="list-style-type: none"> Are not currently licensed for Office Professional Plus, CAL Suites, and Windows 10 Enterprise (Enterprise Platform) and want to license it as cloud services on a per user basis; <i>or</i> Want to license net new users for the Enterprise Platform as cloud services on a per user basis <p>Note: Alternatively, these customers may buy Licenses and Software Assurance (L+SA) for Office Professional Plus, CAL Suites, and Windows Enterprise Upgrade, and then add Microsoft 365 Add-on.</p>	Mid-term, anniversary, or renewal
Microsoft 365 Add-on	<p>Existing EA/EAS customers who:</p> <ul style="list-style-type: none"> Are currently paying for Licenses and Software Assurance (L+SA) for Office Professional Plus, CAL Suites, and Windows 10 Enterprise (Enterprise Platform), <i>and</i> Want to license some or all existing users for the Enterprise Platform as cloud services on a per user basis before renewal, <i>or</i> <p>Want to maintain on-premises use rights for existing and new users for the Enterprise Platform</p>	Mid-term, anniversary, or renewal
Microsoft 365 "From SA" USL	<p>Existing EA/EAS customers who:</p> <ul style="list-style-type: none"> Have fully paid licenses for Office Professional Plus, CAL Suites, and Windows Enterprise Upgrade (Enterprise Platform), <i>and</i> Are currently paying for Software Assurance only, <i>and</i> <p>Want to license existing users for the Enterprise Platform as cloud services on a per user basis</p>	Renewal (recommended) or anniversary

Additional Products

A broad selection of Microsoft products and services are available as Additional Products. These may be added initially, or at any point during the term of an Enterprise Agreement, allowing an organization to more easily build and maintain departments or divisions with specific needs and still enjoy volume pricing advantages and an annualized payment option. Additional Products can include device-based licenses, user-based licenses, cloud services, and other licenses that support an IT environment, such as CALs.

For Additional Products acquired at signing, an organization has the option to spread payments over three years. Spreading out the cost of software licenses over three years can help an organization refocus critical IT budget and provide budget predictability. Any Additional Products that are included at signing have set pricing for the annual True-up reconciliation process.

Examples of software products available as Additional Products include Office Visio, Office Project, Windows Server, and Exchange Server. For a complete list of Additional Products, refer to the Microsoft Product Terms, available on the Commercial Licensing website at www.microsoft.com/licensing/terms.

Server and Cloud Enrollment

The Server and Cloud Enrollment is an enrollment under the Enterprise Agreement. For customers that commit to standardizing broadly on Microsoft server and cloud technologies, the SCE provides a range of benefits, including new cloud-optimized licensing options, simplified license management, and the best pricing and terms. Additional benefits are also available, such as full cloud management and unlimited support.

How the Server and Cloud Enrollment works:

1. Select from *one or more* of the available components to enroll in:
 - Core Infrastructure (Windows Server and System Center).
 - Application Platform (SQL Server, BizTalk Server, and SharePoint Server).
 - Developer Platform (Visual Studio).
 - Microsoft Azure.
2. Identify the installed base for each component in which an organization is enrolled. The installed base includes:
 - Any existing licenses deployed with Software Assurance.
 - Any existing licenses deployed without Software Assurance.
 - New licenses that are being purchased at signing.
3. Ensure full Software Assurance coverage. The SCE requires full Software Assurance coverage of an organization's installed base. This can be achieved by:
 - Renewing Software Assurance on existing licenses current with Software Assurance.
 - Adding Subscription SKUs or new Licenses and Software Assurance for existing deployments that are not current with Software Assurance.
4. Ensure full System Center coverage for Windows Server.
 - The SCE requires full System Center coverage for Windows Server. This means an entire Windows Server installed base must also be licensed with System Center.

After enrolling in the Server and Cloud Enrollment, an organization receives benefits, including:

- The ability to run the latest version of all products enrolled.
- Subscription licensing options.
- Full cloud management benefit when enrolling into the Core Infrastructure component.
- Unlimited Support for qualifying customers.

Agreement structure and details

The Enterprise Agreement structure offers greater flexibility for enrolled affiliates located in different countries and regions. Purchasing is independent yet consolidated under one master program.

The Enterprise Agreement structure includes the following three components:

- **The Microsoft Business and Services Agreement** is required. This is a master agreement that defines contract terms common to Microsoft licensing, service, and support agreements. The customer signs the Microsoft Business and Services Agreement only once with or prior to the Enterprise Agreement.
- **The Enterprise Agreement** defines the terms for Enterprise and Additional Product license acquisitions, subsequent orders, True-ups, and perpetual use rights.
- **An Enrollment (Enterprise, Enterprise Subscription, or Server and Cloud)** establishes the basic information an organization can use to buy product licenses under the Enterprise Agreement. It defines purchase details like the term of the licensing arrangement, products, subsidiaries, language options, and Enterprise Subscription Agreement (or Licensing Solutions Partner, where applicable).

Terms

Each Enrollment has a three-year term during which all the terms and prices of products covered in the initial order remain consistent. This means an organization can plan and budget for software license purchases up to three years in advance, reducing annual budget restrictions and easing fiscal year spending challenges. Each enrollment also has the option for a three-year renewal term.

Extended payment terms

With Extended Payment Terms from Microsoft, an organization can pay for their Enterprise Agreement on a monthly, quarterly, bi-annually, or custom payment plan. Extended Payment Terms are automatically offered to all corporate Enterprise Agreement customers (subject to credit approval).

The benefits to Extended Payment Terms include the following:

- **Greater flexibility and choice.** Benefit from more flexible payment terms (monthly, quarterly, bi-annual, or customized) without having a specific arrangement with Microsoft.
- **A quick and simple process.** Extended Payment Terms are activated through a simple and short amendment to an existing Enterprise Agreement.
- **Ease of access.** Because the Extended Payment Terms option is embedded into the Enterprise Agreement, an organization can choose from a range of payment terms, per their needs when they buy.
- **The ability to get more value.** Payments can be structured to fit an organization's budget cycles, so they can afford a more comprehensive solution today and pay for it over time.

Price protection

The price protection feature of the Enterprise Agreement provides a predictable price an organization can use to forecast technology costs up to three years in advance. When an organization orders a product in the Enterprise Agreement, the pricing for future orders of that product is determined to be protecting them from unanticipated price increases, making it easier to stay within their software license budget during the Enrollment term.

True-up and License Reservation

During the time of enrollment in the Enterprise Agreement, an organization's business will likely grow, and they will add devices, users, software, and services. When adding devices, users, software, or services to an Enterprise Agreement, an organization can immediately use the same software or services included at the beginning of the enrollment term. They report devices, users, software, or services through an annual process called a True-up order (or License Reservation for online services).

True-up orders and License Reservation consolidate orders for additional quantities that are deployed during the year under one order annually (including the third year before any renewal). An organization can also true-up multiple times throughout the year as an added benefit in managing costs.

This feature is in addition to the annual True-up required each year. The annual True-up feature helps reduce time and expense by consolidating the report of multiple additional software use under one purchase order. If an organization does not add anything during the year, an update statement is reported to alert Microsoft not to expect a True-up order.

Step-up Licenses

With the Software Assurance Step-up benefit, an organization can upgrade to a higher product edition without incurring the full cost of the higher edition. For further details, please refer to the Enterprise Agreement Program Guide, available from the Commercial Licensing website at www.microsoft.com/licensing/licensing-programs/enterprise.

How to determine on-premises price levels

The total quantity of Qualified User and Devices that are licensed when an organization enrolls in the Enterprise Agreement determines the price level for Enterprise Products and any Additional Products licensed under the corresponding product pool.

Generally, Qualified Devices include the personal desktop computers, laptops, mobile phones, tablets, and similar devices that are used by, or for the benefit of, an enterprise.

Qualified Devices do not include any computers dedicated to run only line-of-business software or any system running an embedded operating system. Qualified Users are generally persons who use Qualified Devices or who accesses the resources of the company's server software or online services.

As part of enrollment, an organization is responsible for reporting the number of Qualified Users and Devices in their organization. This number is the quantity an organization indicates on the initial order at signing, along with any additional users or devices added throughout the term of their enrollment, which would be covered by submitting the annual True-up order.

Customers who sign an Enterprise Agreement enrollment are referred to as Enrolled Affiliates, and customers can elect to include affiliated legal entities under their enrollment. Each enterprise must consist of entire legal entities, not partial entities such as departments, divisions, or business units. Each affiliate must be entirely included or entirely excluded from the count.

For commercial customers, price levels for Enterprise Products are determined using the following table:

Price level	Users and/or Devices
A	2,399 or fewer
B	2,400–5,999
C	6,000–14,999
D	15,000 or more

Qualifying Government customers receive Level D pricing.

When new customers license one or two of the components listed below, they receive a 15 percent discount off the price they would have paid when licensing through a Select Plus agreement.

Renewing customers receive a five percent discount on their Software Assurance renewal:

- Windows Enterprise Upgrade.
- Microsoft Office Professional Plus.
- Core CAL Suite or Enterprise CAL Suite.

New customers who enroll in the full Professional or Enterprise Platform (the Windows Enterprise operating system upgrade, Office Professional Plus, and Core CAL Suite or Enterprise CAL Suite) can receive an additional 15 percent platform discount on top of their already discounted Enterprise software Product purchase. Renewing customers also receive an additional five percent discount on Software Assurance.

Microsoft Online Services

Keeping pace with the expanding array of Microsoft cloud services, the Enterprise Agreement also gives the flexibility to choose among on-premises software and online services to best suit user needs and help optimize an organization's technology spend.

Microsoft delivers a comprehensive set of cloud services and enterprise applications for user productivity, customer management, communication services, and custom business applications. Microsoft cloud services include Microsoft 365, Office 365, Enterprise Mobility and Security Suite, Azure, and Dynamics 365.

Enterprise Online Services

An Enterprise Online service is an online service that satisfies organization-wide licensing commitments and counts toward establishing volume price levels.

With the Enterprise Agreement, an organization can move their on-premises licenses to eligible online services during the life of the Enterprise Agreement or at renewal and maintain or increase their Enterprise Agreement commitment. An organization-wide commitment for Enterprise Products can be satisfied with a mix of Enterprise Products and Enterprise Online Services. Mid-term, an organization can also add Enterprise Online Services for existing users with an Add-on license; Add-ons offer discounted access to online services based on existing on-premises Software Assurance commitment.

Additional Online Services

With an Enterprise Agreement, an organization can also license the full breadth of Microsoft online services

Additional Online Services do not satisfy the coverage requirement. Some Additional Online Services are delivered as per-user subscriptions (for example, Dynamics 365), while others, like Microsoft Azure, rely on a pay-as-you-go service model.

Contact a Microsoft account representative or preferred reseller to learn more.

Microsoft Products and Services Agreement

Commercial, Government and Academic organizations with 500 or more users or devices

The Microsoft Products and Services Agreement is a single agreement for transactional purchases of Online Services, software, and Software Assurance (an optional purchase) across an organization. Organizations can save time and money by combining points from purchases organization-wide for the best price level, reducing the administrative overhead associated with managing multiple agreements. Suited for organizations with 500 or more users or devices, the MPSA is the best option for transactional purchases of Software and Online Services.

With the Microsoft Products and Services Agreement, an organization gets:

- A single agreement with integrated purchasing for software, Software Assurance, and Online Services. The organization decides how and when they license Software and Online Services across their organization.
- More flexible purchasing options with Purchasing Accounts to establish a custom purchasing structure, so an organization has greater control of how to purchase.
- The flexibility to choose a mix of software and Online Services and combine those purchases for the best possible discount.
- The ability to provision and subscribe to Microsoft Online Services for any number of users as needed, so an organization can flexibly and gradually migrate users and applications to the cloud.
- The option to purchase Software Assurance which includes unique technologies, services and use rights to help organizations deploy, manage, and use Microsoft products more efficiently.
- Access to the self-service Microsoft Business Center that consolidates purchases into a single view, making it easier to manage assets.

The agreement

The Microsoft Products and Services Agreement is the foundational agreement that consolidates common terms and conditions from standard contracts into a single, non-expiring agreement for all organizations. The Microsoft Products and Services Agreement allows multiple “account types,” such as commercial, academic, and government, to exist under a single agreement.

By consolidating licensing into a single, non-expiring agreement, organizations can save time and resources spent on purchasing and asset management. The simplified agreement also shortens agreement processing times, so they can get started using products and services faster.

Purchasing Accounts

An organization can register one or more Purchasing Accounts with the Microsoft Products and Services Agreement. Each Purchasing Account is enrolled as a buying entity for the organization. An organization can name the Purchasing Account whatever they choose, and it can include any part of an organization, such as an affiliate, department, division, or other internal group, depending on how they want to structure purchasing for their organization. Although Purchasing Accounts are separate buying entities, they are all tied to an organization’s Microsoft Products and Services Agreement through the legal entity that is registering the accounts.

Accurately managing an entire license portfolio is easier than ever. An organization can view and manage purchases by individual Purchasing Accounts, legal entities, account types, or by the entire organization. Manage “accounts” rather than agreements because an organization has one buying relationship with Microsoft and one agreement with an organizational view. Organizations can also work with multiple Microsoft partners under a single Purchasing Account for their transactional purchases.

The Agreement Administrator

For each Microsoft Products and Services Agreement, one Purchasing Account is designated as the Agreement Administrator. This gives the Agreement Administrator an all-up view of all assets in an organization and a single source for managing accounts.

The Agreement Administrator account:

- Is provided a full-asset view across all accounts.
- Is notified when a Purchasing Account is associated to a Microsoft Products and Services Agreement.
- Has the right to terminate the association of any accounts to the Microsoft Products and Services Agreement.
- Has the right to terminate the Microsoft Products and Services Agreement itself.

Establishing price levels for commercial organizations

The Microsoft Products and Services Agreement categorizes software products into three distinct product pools with tiered price levels: applications, systems, and servers. The price level for each pool is based on purchase volume, which earns product points with automatically tiered discount levels.

Microsoft Business Center

The Microsoft Business Center is used to manage products and services acquired through the Microsoft Products and Services Agreement. Through the Microsoft Business Center, an organization can also purchase and assign Microsoft Online Services and manage Software Assurance benefits across the entire organization, quickly and accurately. Enhanced online self-service tools give better management capabilities by making it easier for an organization to access all the information they need about their assets through a single portal.

The Microsoft Business Center:

- Provides a clear view of Microsoft Products and Services Agreement purchases and Software Assurance benefits, with easy-to-find information and data shared among an organization, their partner, and Microsoft.
- Makes it easier to find information quickly by using new search functionality for product catalogs.
- Gives easy access to both standard and customized versions of various reports.
- Allows self-provisioning of Microsoft Online Services seats for immediate access in real time for an organization through an easy-to-use interface.
- Simplifies how to understand, manage, and use Software Assurance benefits.

Comparing Commercial Licensing programs

To gain a deeper understanding of the different licensing agreement options available to non-governmental customers, please visit the following document link:

- [Microsoft licensing agreements comparison for commercial organizations](#)

For academic organizations, the different licensing agreement options are described in this document link:

- [Microsoft licensing agreements comparison for academic organizations](#)

Taking the next step

- Commercial Licensing experts, including Microsoft representatives and partners or an authorized reseller nearby, can provide guidance and insight about how to acquire or renew Microsoft volume licenses.

United States and Canada

- Find a Microsoft solution provider partner at <https://www.microsoft.com/en-us/solution-providers>.
- Call toll-free (800) 426-9400 in the United States, or (877) 568-2495 in Canada.

Worldwide

- Find Commercial Licensing contacts for a country or region at www.microsoft.com/licensing/worldwide.

Chapter 3: Choosing a Commercial Licensing program for a government organization

These programs are for eligible government organizations that want to acquire software licenses and achieve volume discounts.

Microsoft Commercial Licensing offers agreements that can meet the needs of an eligible government organization. Flexible and affordable licensing solutions are tailored to an organization's size and purchasing preference so they can find the best agreement for their organization and manage their licenses with ease.

With Commercial Licensing pricing, an organization can control spending and serve citizens with solutions built on Microsoft technology. The eligibility requirements depend on locale and can be found at www.microsoftvolumelicensing.com/DocumentSearch.aspx.

Worldwide government licensing

Eligible government organizations receive special government pricing with one price level. Customers should contact a Microsoft subsidiary or partner for pricing information.

United States government licensing

In the United States (US), Commercial Licensing agreements are available for state, local, regional, and federal government agencies.

US federal civilian agencies

Microsoft offers preferred pricing to US federal civilian agencies through various resellers and contracting vehicles, such as General Services Administration (GSA) Schedules and Microsoft Commercial Licensing agreements.

It is likely that an agency has a Microsoft Commercial Licensing agreement—such as a Microsoft Enterprise Agreement—in place with one of the Microsoft Authorized Government Resellers, so an organization can license software directly from the designated reseller.

To learn more about programs for US federal government departments and agencies, visit www.microsoft.com/industry/government/.

State, local, and regional organizations

Most states in the United States have at least one active Microsoft Commercial Licensing agreement. If an organization licenses Microsoft software for a state or local government agency, they are probably eligible to use an existing agreement to acquire the licenses that they need at the best possible prices.

With the variety of agreement types offered by Microsoft Commercial Licensing, an organization can tailor their choice to their organization's size and purchasing preference. Microsoft also offers the ability to purchase online services through most volume licensing agreements for government organizations.

The following are the options for eligible government organizations:

- **Microsoft Enterprise Agreement for Government.** If a state has a Microsoft Enterprise Agreement, an agency can save up to 25 percent compared to other licensing programs. They need only 250 users or devices to qualify. Enterprise Subscription Agreement offers the same benefits with subscription-based licensing.
- **Microsoft Products and Services Agreement for Government.** The Microsoft Products and Services Agreement consolidates purchases into one simplified agreement with purchasing for Online Services and software. The Purchasing Account structure gives an organization flexible purchasing options and more control of how to purchase. Software Assurance is optional.
- **Microsoft Open Value for Government.** Open Value for Government is for small and midsize organizations that want simplified license management, predictable software costs, better control over their software expenditure, and spread payments.
- **Microsoft Open Value Subscription for Government.** To align more closely with government organization procurement requirements, a one-year Open Value Subscription option is available, giving government organizations the flexibility to choose from a one-year or three-year term.

[Learn](http://www.microsoft.com/industry/government/) more about Microsoft for government at www.microsoft.com/industry/government/.

Choosing the right option

A variety of programs can be tailored to the size and purchasing preference of an organization.

Small and midsize government organizations

For small and midsize government organizations, Microsoft Commercial Licensing has two options that offer flexibility and are sized right for an organization's needs and procurement procedures: Open Value for Government and Open Value Subscription for Government.

To align with government organization procurement requirements, a one-year Open Value Subscription option is available with Open Value Subscription for Government. This option gives government organizations the flexibility to choose from a one-year or three-year term.

Program	Description
Open Value for Government*	Offers simplified license management, predictable software costs, and spread payments. Software Assurance is included.
Open Value Subscription for Government*	Get the same benefits as Open Value for Government with lower up-front costs. This program provides access to Microsoft software licenses for the term of the agreement through subscription-based licensing. A one-year Open Value Subscription option is also available for eligible government customers.

**Not available in some countries/regions. Contact a reseller to check current availability.*

Midsize and large government organizations

For midsize and large government organizations, Microsoft Commercial Licensing offers programs that provide a cost-effective way to simplify license management and help increase employee productivity.

Program	Description
Enterprise Agreement for Government	Standardize technology across an organization with the latest Microsoft products. Provides simplified license management with a single agreement, predictable software costs, and spread payments. Software Assurance is included.
Enterprise Subscription Agreement for Government	Get the same benefits as the Enterprise Agreement with lower up-front costs. Includes access to Microsoft software licenses only for the term of the agreement through subscription-based licensing. Software Assurance is included.
Microsoft Products and Services Agreement	Acquire Microsoft software licenses and cloud services across any affiliate or department level. Microsoft Products and Services Agreement offers the ability to acquire licenses as needed in a single agreement with no specific end date. Software Assurance is optional.

Comparing Commercial Licensing programs for government

- To review the different licensing agreement options available to government customers, please download the [Microsoft licensing agreements comparison for government organizations](#).

Home Use Program for government employees

Many government employees are entitled to use Microsoft Office software on their home computer as part of the Microsoft Home Use Program (HUP). The Home Use Program is a benefit of Software Assurance that offers employees the latest version of Microsoft Office for their home computers through a low-cost download. Home use helps support flexible work environments and helps improve productivity by accelerating familiarity with the newest Microsoft Office products.

Taking the next step

- Commercial Licensing experts, including Microsoft representatives and partners or an authorized reseller, can provide guidance and insight about how to acquire or renew Microsoft volume licenses.

United States and Canada

- Federal agencies: www.microsoft.com/industry/government/
- Department of Defense (DoD): www.microsoft.com/industry/government/defense-and-intelligence
- State and local government customers: azure.microsoft.com/global-infrastructure/government/state-and-local/
- Microsoft Azure Government: azure.microsoft.com/global-infrastructure/government/how-to-buy/

Worldwide

- Organizations outside of the United States should contact the local Microsoft office. Find contact information at www.microsoft.com/worldwide.

More resources

Use these resources to learn more about Microsoft Commercial Licensing for Government:

- Learn about Microsoft programs for government organizations. Visit the Microsoft in Government website at www.microsoft.com/licensing/licensing-programs/licensing-for-industries.
- Discover more about what Commercial Licensing can do for an organization at www.microsoft.com/licensing.
- Review the Product Terms a list of the products that are available under Microsoft Commercial Licensing at www.microsoft.com/licensing/terms/productoffering.
- View the government eligibility requirements at www.microsoftvolumelicensing.com/DocumentSearch.aspx.

Chapter 4: Choosing a licensing agreement for a school or university

These programs are for educational institutions such as schools, colleges, and universities that want to acquire five or more licenses.

For educational institutions purchasing software licenses in quantity and managing software across multiple computers, Commercial Licensing programs are an effective way to reduce the total cost of software ownership.

Microsoft offers both transactional and subscription Commercial Licensing programs for education customers.

Transactional licensing

With transactional Commercial Licensing programs, acquire perpetual software licenses (meaning the institution owns the licenses) while eliminating the costs and packaging of retail software.

Microsoft has one transactional Commercial Licensing program for education customers, the Microsoft Products and Services Agreement for Academic.

Microsoft Products and Services Agreement

- The Microsoft Products and Services Agreement consolidates purchases into one simplified agreement with purchasing for Online Services and software. The Purchasing Account structure gives an organization flexible purchasing options and more control of how to purchase. Software Assurance is optional.

Subscription licensing

Microsoft has three subscription licensing offerings for education customers: The Enrollment for Education Solutions, Open Value, and Open Value Subscription for Education Solutions (OVS-ES). All offer a variety of cloud services and products— that are licensed on an organization-wide basis. An organization can add additional products as needed.

To get started with a subscription, place an order for Education Platform Products (EES) or Desktop Platform Products or Platform Online Services (OVS-ES) in a quantity that is equal to the organization-wide count.

All products licensed through either subscription offering include Software Assurance, a comprehensive set of benefits that help maximize software and services investments.

The **Enrollment for Education Solutions** is available to both primary/secondary and higher education institutions. Enrollment for Education Solutions offers the simplicity of counting people and the flexibility to order additional products in any quantity as needed.

The **Open Value** and **Open Value Subscription for Education Solutions** are for primary/secondary schools and preschools. An Open Value for Education Solutions enrollment offers the simplicity of licensing all products organization-wide with an annual count of their employees and students.

Subscription licensing offers many benefits, including the following:

- **Easy compliance.** Because all the employees or students are covered throughout the subscription term based on an annual count of Education Qualified Users, FTE employees or students, it is easy to ensure that the institution is fully licensed for the products selected organization-wide.
- **Low administration.** Subscription licensing eliminates the need to track licenses for the selected products on every device, which can be especially helpful for managing software assets in a decentralized environment.
- **Simple budgeting and purchasing.** One annual payment covers all the products selected for the year.
- **Current technology.** With subscription licensing, an organization's licensed users can run the most current version of the software products that are included in the subscription.
- **Value.** By standardizing on a platform of products, an organization reduces their total cost of software ownership while helping increase productivity and access to current technology. In addition, Software Assurance is included with an organization's subscription licenses. This provides additional support resources, tools, and training.

Student Use Benefit

It is easy to provide students with the products that they need. When an organization licenses certain products or cloud services for all their Education Qualified Users or full-time equivalent (FTE) employees organization-wide, they may be eligible for corresponding subscription licenses for students within the same defined organization at no additional licensing cost. Please see the Product Terms for the latest list of Qualifying Products and Student Use Benefits.

How to acquire academic discounts

Depending on the size of an organization, they can acquire subscription licenses through:

- Open Value Subscription for Education Solutions: A Microsoft reseller for organizations with five or more FTE employees or students, and organizations ordering at least one Desktop Platform Product for 5 or more FTE employees or students.
- Campus and School Agreement+ Enrollment for Education Solutions: A Microsoft Licensing Solution Provider (LSP) for organizations with 1,000 or more Qualified Education Users or students and organizations ordering at least one Education Platform Product for 1,000 or more users
- To participate in Enrollment for Education Solutions or any of our other academic Volume Licensing agreements, or to obtain current pricing, please contact a [licensing solution provider](#) or see www.microsoft.com/education/.
- Information on eligibility to acquire academic products can be accessed via Microsoft's licensing [site](#). Eligibility varies by geographic region,

For educational institutions outside of North America, contact a local Microsoft office or visit a regional Microsoft Licensing website. Visit the Microsoft Worldwide website at www.microsoft.com/worldwide to locate a regional website.

Microsoft Imagine Academy

With Enrollment for Education Solutions and Open Value Subscription for Education Solutions, an institution is eligible to receive an organization-wide, free online subscription to Microsoft Imagine Academy. Microsoft Imagine Academy connects students with the tools, resources, and experiences they need to elevate their skills for today's working world. Whether it's building a game, designing an application, or launching a project, Microsoft Imagine Academy helps students develop their ideas and boldly bring them to life. Microsoft Imagine Academy helps equip labs with the latest Microsoft developer tools and online learning to support personal or in-class learning for students and educators. With a membership, students get the professional-level developer and designer tools they would use to build real sites, apps, games, and more. Imagine Academy helps students get a head start on a career or do better in class.

If the Enrollment for Education Solutions isn't an option for your organization and you want to enroll in Microsoft Imagine Academy, visit the website at www.microsoft.com/education/imagine-academy.

Taking the next step

- Licensing experts, including Microsoft representatives and partners or an authorized reseller, can provide guidance and insight about how to acquire or renew Microsoft volume licenses.
- Visit www.microsoft.com/licensing/licensing-programs/licensing-for-industries to learn more about the options.

United States and Canada

- Find a Licensing solution provider online at www.microsoft.com/solution-providers/home.
- Call toll-free at (800) 426-9400 in the United States or (877) 568-2495 in Canada.

Worldwide

- For educational institutions outside of North America, find a local Microsoft office at www.microsoft.com/worldwide.

Chapter 5: Choosing a Commercial Licensing program for a nonprofit organization

These programs are for eligible nonprofit organizations that want to acquire five or more licenses. See the eligibility requirements at www.microsoft.com/nonprofits/eligibility.

Transactional licensing

With transactional Commercial Licensing agreements, an organization acquire perpetual software licenses (meaning the institution owns the licenses) while eliminating the costs and packaging of retail software.

Microsoft has two transactional Commercial Licensing agreement for nonprofit customers: Microsoft Enterprise Agreement for nonprofits and Microsoft Open Value for nonprofits.

This licensing programs includes benefits such as the following:

- **Simplicity.** The programs are easy to understand and administer, with simple, clear terms for acquiring software licenses.
- **Flexibility.** The program is flexible enough to meet the needs of a broad range of organizations. An organization can choose from a wide selection of licensed products. After an initial order of five or more licenses, they can reorder as few as one license: they order only what they need.
- **Availability.** An organization can acquire Microsoft products through Enterprise Agreement or Open Value for Nonprofits, where available, from any approved Commercial Licensing reseller.
- **Compliance.** With the Volume Licensing Service Center (VLSC), receive license confirmation information electronically and can quickly and easily view license purchase history—so an organization never has a question about which licenses they own.

Enterprise Agreement for nonprofits

The Enterprise Agreement offers the best value to organizations that want a manageable volume licensing program that gives them the flexibility to buy cloud services and software licenses under one agreement for a minimum three-year period. You can add and adjust products and services over time and account for changes via the annual True-up process.

The Enterprise Agreement was designed to give you the necessary agility to respond to current and future trends. The Enterprise Agreement also includes Software Assurance benefits to help you plan, deploy, and manage your licenses.

Open Value for nonprofits

With the Microsoft Open Value agreement, eligible nonprofit organizations can acquire multiple software licenses—rather than multiple software packages—at reduced prices. An organization needs to purchase only one complete software package license and enough licenses to cover the remaining number of computers.

Open Value simplifies purchasing licenses, making it easier for an organization to get what they want when they need it. The agreement also gives an organization the flexibility to adjust their technology solutions to meet the organization's future needs. Office 365 is also an option for eligible nonprofit organizations. Learn more at www.microsoft.com/nonprofits.

In geographies where a software donations program is also available, the Open Value agreement can supplement the donations program. Nonprofit organizations that are eligible for free software through the donations program can purchase software licenses at discounted prices through the Open Value agreement.

How to acquire nonprofit discounts

Eligible nonprofit organizations receive special pricing for Open Value for nonprofits. To buy product licenses at the reduced volume license prices, and to see if the Enterprise Agreement or Open Value agreement is available in a country or region, contact a Microsoft subsidiary or software reseller.

To acquire product licenses, an organization must qualify as a charitable organization. A reseller can help an organization determine if the Enterprise Agreement or Open Value agreement is available in a country or region and if they qualify. Eligibility definitions are available at the Commercial Licensing website at www.microsoft.com/nonprofits/eligibility.

More resources

Use these resources to learn more about Microsoft Commercial Licensing for nonprofits:

- Discover more about what Commercial Licensing can offer a nonprofit organization at www.microsoft.com/licensing/licensing-programs/licensing-for-industries.

Learn how to request a software donation for a nonprofit organization at www.microsoft.com/nonprofits.

Chapter 6: Microsoft Commercial Licensing programs for software and service partners

Microsoft offers special licensing agreements for partners, Independent Software Vendors (ISVs), and service providers that want to integrate Microsoft software into their own solutions and/or services.

The Cloud Solution Provider (CSP) agreement delivers a platform for partners to own the end-to-end customer engagement by enabling them to directly provision, bill, and support Microsoft cloud services for their customers. The Independent Software Vendor Royalty Licensing and Distribution Program is for ISVs that are interested in integrating Microsoft software products into their solutions. Similarly, the Services Provider License Agreement (SPLA) is for service providers that want to license Microsoft products so they can provide software services to their customers.

Cloud Solution Provider

The Cloud Solution Provider program puts partners at the center of the customer relationship where they can deliver differentiated value to customers. With the Cloud Solution Provider program, partners own pricing, billing, contracting, provisioning, and manage, and support their customers' end-to-end with services and solutions. It's available to commercial, government, academic, and nonprofit customers.

- **Order, provision, billing, and support is covered:** An organization's partner is their single point of contact for sales, provisioning, payment, and support. Focus on using the service instead of managing licenses.
 - Components covered by an organization's partner can include:
 - deployment.
 - management.
 - Support (except for on-premises software licenses).
 - **Get additional value-added services:** get a best-in-class solution and all the added benefits and services that an organization's partner will offer.
 - The partner can:

- provide tips and best practices.
- identify additional service needs.
- help improve an organization.

Cloud Solution Provider program details requirements

Only partners can enroll in the Cloud Solution Provider program.

Independent Software Vendor Royalty Licensing Program

The ISV Royalty Licensing Program is a worldwide software licensing program, which gives ISVs a convenient way to license Microsoft products and integrate them into a Unified Solution, which can then be replicated and distributed fully licensed.

The ISV Royalty Licensing Program provides access to a wide range of Microsoft products. Get the most recent ISV Royalty Product List (updated quarterly) from an organization's authorized ISV Royalty Licensing Program distributor to see the wide selection of Microsoft products available for the ISV Royalty Licensing Program (does not include desktop PC operating systems, server operating systems, or online services).

Program enrollment requirements

To enroll in the ISV Royalty Licensing Program, an organization must meet eligibility requirements by doing the following:

- **Develop a Unified Solution.** The value-added Unified Solution uses Microsoft products, adds significant and primary functionality, and is distributed through a tangible medium.
- **Designate a licensed products distributor.** Work with an authorized [ISV Royalty Licensing Program distributor](#) to complete the ISV Royalty License and Distribution Agreement.
- **Provide technical support.** An organization is responsible for providing technical product support to their users for the Microsoft products included in the Unified Solution.
- **Comply with the Microsoft license terms.** Incorporate any applicable Microsoft license terms into the user agreement for the Unified Solution.

Sign agreements. Complete the ISV Royalty License and Distribution Agreement, the Microsoft Business and Services Agreement, and signature form. To obtain these documents, contact a distributor (listed at www.microsoft.com/licensing/licensing-programs/isv-program).

Learn more about the ISV Royalty Licensing Program at the Microsoft Commercial Licensing website at www.microsoft.com/licensing/licensing-programs/isv-program.

Services Provider License Agreement

With the Services Provider License Agreement, a services provider organization can license Microsoft products on a monthly subscription basis for a three-year agreement term. The organization can then use these products to provide software services and hosted applications to its customers.

Tip...The Services Provider License Agreement is the only program that gives an organization the right to license Microsoft products for commercial hosting.

The Services Provider License Agreement may be right for an organization if they have one of the following business scenarios:

- An organization provides their customers with direct or indirect access to Microsoft licensed products, such as hosted websites or LOB applications through Microsoft server products.
- An organization offers their customers software services that interact with Microsoft licensed products. In this scenario, the organization, not the customer, are the licensee.
- An organization facilitates their customer's business, including business transactions with third parties, through software services that interact with Microsoft products.
- An organization provides their customers with access to, and use of, any application, Microsoft or otherwise, and the application is running on a server and interacts with a Microsoft product on that server.

Software services

For service providers, software services are online services that they provide to their customers to make licensed products available to them. These software services display, run, access, or otherwise interact with Microsoft licensed products. Service Providers provide software services from one or more data centers through the Internet, a telephony network, or a private network on a rental, subscription, or services basis. The Services Provider License Agreement makes offering software services easier because the service provider is the licensee, not the customer.

Program benefits

The Services Provider License Agreement offers the following benefits:

- **Deliver a customized service.** Get the flexibility to deliver tailored IT services to customers through a dedicated or shared hosting environment. Increase the value of services by managing software use rights for customers.
- **Pay as you go with no up-front costs.** Pay only for the products that are made available to customers the previous month. There are no start-up costs, monthly sales requirements, or long-term commitments.
- **Access the most current product versions.** Give customers the most current and capable Microsoft platform. Download products at no charge through the Volume Licensing Service Center instead of ordering physical media.
- **Try before you buy.** Test and evaluate products internally before offering them to customers as a service.
- **Receive prior version rights.** Rights to prior product versions enable an organization to support a seamless transition for developers and ISVs to move to the Services Provider License Agreement and have a hosted business model.
- **Outsource data center services.** Install Microsoft products on servers under the day-to-day management and control of an outsourcing company. That company can then perform data center administration, testing, and maintenance support services on an organization's behalf.
- **Install at customer facilities.** Install Microsoft products on devices an organization owns or leases and that are located on their customer's premises.
- **Offer demonstrations and evaluations.** An organization can have up to 50 active user IDs for service/product demos and give their customers a free 60-day trial period.
- **Include affiliates.** Include affiliates under a single agreement.
- **Expand reach to academic institutions.** An organization's business can expand with specific price offerings available to their academic customers through the Services Provider License Agreement.

Program requirements

The following are the main requirements to participate in the Services Provider License Agreement. For complete program requirements, see the Program Guide on the Microsoft Commercial Licensing website at www.microsoft.com/licensing/licensing-programs/spla-program.

- **Join the Microsoft Partner Network.** An organization must be a member of the Microsoft Partner Network. If they are not a member, learn how to enroll at the Commercial Licensing website at partner.microsoft.com/membership.
- **Sign a Microsoft Business and Services Agreement (MBSA).**
 - Service providers that have an existing MBSA through another Commercial Licensing agreement (Enterprise Agreement, Enterprise Subscription Agreement, or ISV Royalty Licensing) should work with their Microsoft account manager and/or reseller to provide their MBSA number and link the MBSA to their Services Provider License Agreement.
 - Service providers that do not have an existing MBSA are required to sign one when they sign an SPLA.
- **Designate a licensed products reseller.** Work with an authorized Services Provider License Agreement reseller to complete the SPLA and MBSA. [Download the authorized reseller list.](#)
- **Provide monthly reporting on software licenses.** Submit either a monthly use report of at least U.S. \$100 per month or a zero-use report (non-consecutive) to an organization's Services Provider License Agreement reseller. The organization must also report on all licenses that an organization made available to their customers for their affiliates and software services resellers.

- **Submit a monthly invoice payment.** The Services Provider License Agreement reseller invoices an organization monthly based on the number of licenses reported in their monthly use report. The organization is responsible for submitting their payment to the SPLA reseller by the agreed date.
- **Comply with the Services Provider Use Rights (SPUR).** The SPUR is roughly the equivalent of the Product Terms for products licensed under the Services Provider License Agreement. The SPUR specifies use rights and conditions that apply to a customer's use of the licensed products. Microsoft may revise the SPUR at any time. The SPUR is updated quarterly and is available for download at the Commercial Licensing website: www.microsoftvolumelicensing.com/DocumentSearch.

Resources

- Learn about becoming a Services Provider License Agreement reseller: www.microsoft.com/CloudandHosting/Licensing_SPLA_Reseller_resources.

See the Services Provider License Agreement resources: www.microsoft.com/licensing/licensing-programs/spla-program.

Chapter 7: Using products licensed through a Microsoft Commercial Licensing program

Products licensed through a Microsoft Commercial Licensing program are subject to the [Product Terms site](#), which govern the use of the products.

Microsoft does not sell its products to customers. Instead, customers purchase the right to use the product in a specific manner. This is called a product license. All product licenses come with agreements that define and govern how to use the software.

When a product license is purchased through a Microsoft Commercial Licensing program, its use is governed by the Product Terms and the Microsoft Commercial Licensing program agreement.

The Product Terms site contains both information on product availability by Commercial Licensing program and the product-specific terms and conditions that govern how Microsoft products can be used in the Commercial Licensing programs. The Product Terms are generally updated on the 1st of each month. The customers' Commercial Licensing program agreement identifies which Product Terms apply to the use of a given Product. For Microsoft Products and Services Agreement customers, generally the Product Terms in effect when a license is acquired govern use of software under that license. For Enterprise Agreement customers, the Product Terms in effect as of the effective date of the customers enrollment applies to the use of then current product versions throughout the licensed period. If a new version is released, use of the new version is governed by the most current Product Terms.

Product licensing models

All Microsoft software and online services products are licensed under a product licensing model. Different products use different licensing models. For example, Microsoft Office is licensed under the Desktop Applications license model and a server product, such as Windows Server is licensed under the Per Core/CAL license model. The license model for each product is stated in the product specific section of the [Product Terms site](#).

Resources and tools

Microsoft provides a number of tools and resources to help keep up to date on product licensing. The [Microsoft Licensing terms site](#) has licensing terms, conditions, and supplemental information relevant to using products licensed through Microsoft Commercial Licensing programs. The following information is available from the site:

- **Microsoft Product Terms site.** The [Product Terms site](#) contains all the terms and conditions for software and online services through Microsoft Commercial Licensing programs. The Product Terms site is updated as

needed (generally once per month) and is a successor to the Product Terms and Online Services Terms Word documents. For more information about the Product Terms site, read the [FAQ: Product Terms site](#). Archived versions of the Product Terms documents prior to February 1, 2021 are available [here](#), and archived versions of the Online Services Terms documents are available [here](#).

- **Microsoft Services Provider Use Rights (SPUR):** The SPUR details how the products licensed through the Microsoft Services Provider License Agreement may be used.
- **Online Services Data Protection Addendum (DPA):** When you subscribe to an Online Service under the terms of the Product Terms site, the data processing and security terms are defined in Microsoft Online Services Data Protection Addendum (DPA). The DPA is an addendum to the Product Terms (and formerly OST). The current and [archived editions](#) of the DPA are available for download.
- **Services Level Agreements for Microsoft Online Services (SLA):** The Service Level Agreements (SLA) describe Microsoft's commitments for uptime and connectivity for Microsoft Online Services. The current and [archived editions](#) of the SLA are available for download and they cover Office 365, Intune, Dynamics 365, and Azure..
- **ISV EULAs and Product List:** The Microsoft Independent Software Vendor (ISV) End User License Agreements (EULAs) and Product List provide details on the availability, discontinuations, migration paths, and use of software acquired through the Microsoft Independent Software Vendor Royalty license program. The ISV EULAs and Product List are updated quarterly. The current and archived editions of the ISV EULAs and Product List are available for download. In addition, [Microsoft Commercial Licensing briefs](#) provide information on specific licensing topics, such as Multiplexing, Downgrade Rights, Robotic Process Automation, and many more.

Managing licenses

Microsoft provides a variety of online reporting services and tools that help track and manage Microsoft software assets.

On premises software

Microsoft Volume Licensing Service Center

The Microsoft Volume Licensing Service Center (VLSC) provides a convenient and secure online solution for Commercial Licensing customers to manage licensing agreements, enrollments, and purchases. With this online tool, an organization can manage their licenses for Open Value, Select Plus,* and Enterprise Agreements. From the VLSC, they can do the following:

- Calculate current Microsoft License Statements to view an easy-to-understand, comprehensive license summary across programs and agreements.
- View license purchases and licenses purchased to date, including expired agreements.
- View and request Microsoft Commercial Licensing Keys (VLKs) and download licensed products based on an organization's Commercial Licensing entitlements.
- Activate and use Microsoft Software Assurance benefits.
- Manage access rights for internal staff and Software Assurance administrators.

When an organization enters into their Microsoft Commercial Licensing agreement, the contact person they designate receives an invitation and directions for accessing the online tool. A valid email address is required when an organization signs the agreement to validate their VLSC account on first login.

The Microsoft Commercial Licensing Service Center can be found online at www.microsoft.com/licensing/servicecenter.

Note: If an organization has acquired licenses and services through the Microsoft Products and Services Agreement, they can manage these through the Microsoft Business Center, not the VLSC. The Microsoft Business Center is available online at businessaccount.microsoft.com/Customer.

How to find fulfillment information

Customers can stay informed about the latest product availability, product updates, and access to prior versions, and get other news from Microsoft related to licensed products, by visiting the Microsoft Commercial Licensing fulfillment information site at www.microsoft.com/licensing/existing-customer/fulfillment.

Product activation: Volume Activation

To reduce software piracy and to make sure that all Microsoft customers receive the product quality that they expect, Microsoft includes product activation technology in several Microsoft licensed products that are sold through original equipment manufacturers, retail, and Commercial Licensing channels. To license the Windows operating system, Commercial Licensing customers must use a type of activation called Volume Activation. These keys bypass product activation.

Details are on the Commercial Licensing website at licensingapps.microsoft.com/product-activation.

Online Services

Activation of online services through Commercial Licensing

A key difference between online services and on-premises Microsoft products is that online services reside remotely with Microsoft as the service provider and must be activated before they can be used.

Through the Microsoft Online Subscription Program:

- Activate through the Microsoft Online Customer Portal.
- Notification is sent to confirm that the service is activated.
- Manage services by using the Microsoft Online Administration Center (MOAC).

Through the Microsoft Products and Services Agreement:

- Order and activate through the Microsoft Business Center.
- Notification is sent to confirm the service is activated.
- Manage services by using the Microsoft Business Center or the Microsoft Online Administration Center.

Through an Enterprise Agreement, Enrollment for Education Solutions, or School Enrollment:

- After the Channel Price Sheet is signed, the Microsoft Regional Operations Center (ROC) processes the deal in the same way that on-premises software contracts are handled.
- After the deal is processed, the Online Customer Portal sends an activation email.
- The activation email is sent to an organization's designated online services administrator email address (the same address that is on an organization's enrollment within the Enterprise Agreement).
- When promoting a trial, use this Microsoft account (formerly Windows Live ID) in advance to avoid migration issues (versus customer's personal Microsoft account).
- Receive the activation email and must activate by using a Microsoft account.
- Deal processing and generating an activation email should take approximately 48 hours. If it's not received, the organization or their reseller partner should contact the ROC.
- An organization can begin using the service at any time after they have activated their service.

Chapter 8: Microsoft Software Assurance

Microsoft Software Assurance includes a unique set of technologies, services and use rights to help deploy, manage and use Microsoft software and services more efficiently. Benefits span a broad range of Microsoft products and using the benefits can help an organization take full advantage of their investment in IT. Software Assurance is only available through volume licensing and is purchased when an organization buys or renews a Volume Licensing agreement. It is included with some agreements and is an optional purchase with others.

With Software Assurance, an organization gets access to the latest software updates and other important resources and tools, such as the following:

- Access to new software releases and cost-efficient upgrades.
- Rights to help broaden the value of server licenses through extended use on-premises and in the cloud.
- Support benefits to help maximize uptime and maintain an available and responsive IT infrastructure.

Software Assurance benefit eligibility

Eligibility for Software Assurance benefits varies by commercial licensing program, region, fulfillment options and language. The type and number of benefits allocated to an organization are based on licensing purchases.

For more information, visit the Software Assurance website at www.microsoft.com/licensing/licensing-programs/software-assurance-default.

Available benefits

Software Assurance provides a broad range of benefits to help an organization get the most from their Microsoft purchases. Available benefits are determined by the types and quantities of products purchased. Below are just some of the benefits available, depending on your Commercial Licensing agreement and region.

Budget and Plan

- **New Product Version rights** allow an organization to upgrade to the latest version of an available product at no additional cost based on active Software Assurance coverage and specific license terms.
- **Spread payments** lets you spread the costs of your License and Software Assurance purchase across three equal, annual sums, helping you calculate your technology budget up to three years in advance.
- **Step-up License availability** lets an organization to migrate their software from a lower-level edition to a higher-level edition without incurring the full cost of licensing two separate editions of the software.

Deploy

- **Azure Hybrid Benefit** lets you bring Windows Server and SQL Server on-premises licenses with Software Assurance to the cloud.
- **License Mobility through Software Assurance** enables an organization to deploy certain server application licenses on-premises or in the cloud by assigning their existing licenses to an authorized service provider's server farm, without having to buy additional licenses.
- **Office Online Services and Office Online Server** provides browser-based versions of Word, PowerPoint, Excel and OneNote from on-premises environments.
- **Office Roaming Use Rights** allows the single primary user of the licensed device to remotely access Office, Project and Visio running on server from a qualifying third-party device or run the software in a virtual environment from a qualified third-party device.
- **Windows 10 Enterprise Per-User Add-On** is an optional add-on that provides per user rights for the primary user of a device that is licensed with Windows Enterprise, or Windows per User VDA rights for the primary user of a device that is licensed with Windows VDA.

Manage and Support

- **24x7 Problem Resolution Support** provides around-the-clock phone support for business-critical issues or business hours phone support for non-critical. Unlimited email support can be used for non-critical problems.
- **Enterprise Source Licensing Program** offers access to Windows source code for internal development and support. Eligibility is based on certain Software Assurance coverage criteria.
- **Fail-over Rights** allows a passive-fail-over instance (i.e., non-production, but "warm" instance) on another server in anticipation of a fail-over event.
- **Microsoft Desktop Optimization Pack (MDOP)** enables an organization to virtualize the operating system, applications, and the user experience; manage Windows features; and restore user productivity after a system issue. Available to customers with Windows licenses covered by Software Assurance until April 2026.

- **Servers – Disaster Recovery Rights** provides licensing for backup servers dedicated to disaster recovery. Permits quarterly patching and testing, and ongoing virtual machine replication from production servers to backup/disaster recovery servers.
- **Windows To Go Use Rights** enables IT administrators to provide users with a bootable corporate Windows image that can include line-of-business applications, settings, and corporate data on a compatible USB storage device.

Note: Software Assurance benefits are subject to change. To verify current benefits and eligibility, refer to the Microsoft Commercial Licensing Product Terms at www.microsoft.com/licensing/product-licensing/products.

Getting Software Assurance

Software Assurance is purchased when an organization buys or renews a Volume Licensing agreement. It is included with some agreements and is an optional purchase with others. Whether an organization chooses to add Software Assurance to their Volume Licensing purchase, or it is included with their Commercial Licensing program, they can begin using their benefits immediately and throughout the term of their license agreement.

Taking the next step

Learn more about Software Assurance on the Software Assurance website at www.microsoft.com/licensing/licensing-programs/software-assurance-default. An organization's preferred Microsoft Commercial Licensing reseller can help them acquire Software Assurance.

Use the following contact information to find a Microsoft Commercial Licensing reseller:

- In the United States, call (800) 426-9400 or visit www.microsoft.com/solution-providers.
- In Canada, call the Microsoft Resource Centre at (877) 568-2495.
- Outside the United States or Canada, contact a local Microsoft subsidiary. To locate a local subsidiary, visit www.microsoft.com/worldwide.

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