Enterprise Agreement

True-up guide

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The Microsoft Enterprise Agreement True-up

Once a year, customers are ask to align their Enterprise Agreement (EA) with the total number of licenses that they have added in the previous 12 months. This is the true-up process: an inventory of all the qualified devices, users, and processors added over the course of the year.

This guide is designed to help you simplify and streamline the true-up process. If you have questions at any time, you can contact your reseller or Microsoft account team for assistance.

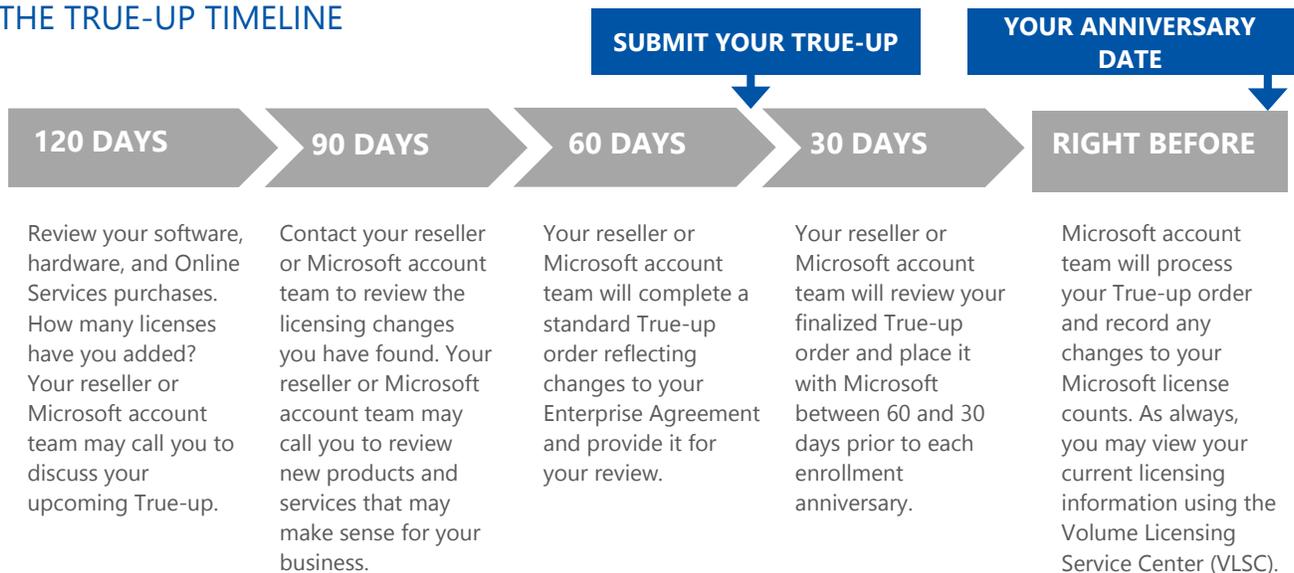## True up on-premises and online services licenses

If you have recently updated or renewed your Enterprise Agreement, you now have increased flexibility to transition to Microsoft cloud services. During your Enterprise Agreement term, you can adjust your Microsoft on-premises software and cloud service licenses to best suit your users' needs, and then account for these changes at your next anniversary via the true-up process. Because you need to place only one order per year, your Enterprise Agreement can also streamline the procurement process and reduce the time spent managing your Microsoft licenses.

Timing your true-up

Although you may place any number of orders throughout the calendar year, the annual true-up order must be received by Microsoft in the period between 60 days and 30 days prior to the anniversary of your enrollment. It is important to note that the annual true-up applies only to products that you have already licensed under your current Enterprise Agreement. New products and online services that are not under your current Enterprise Agreement must be purchased in the month they are first used.

If you have not increased your device or user counts, or used any additional Enterprise Agreement products within the calendar year, you are still responsible for submitting an Update Statement (also called a zero-usage order), which must be signed by an authorized signatory within your organization.

THE TRUE-UP TIMELINE

| SUBMIT YOUR TRUE-UP | | YOUR ANNIVERSARY DATE |

120 DAYS	90 DAYS	60 DAYS	30 DAYS	RIGHT BEFORE
Review your software, hardware, and Online Services purchases. How many licenses have you added? Your reseller or Microsoft account team may call you to discuss your upcoming True-up.	Contact your reseller or Microsoft account team to review the licensing changes you have found. Your reseller or Microsoft account team may call you to review new products and services that may make sense for your business.	Your reseller or Microsoft account team will complete a standard True-up order reflecting changes to your Enterprise Agreement and provide it for your review.	Your reseller or Microsoft account team will review your finalized True-up order and place it with Microsoft between 60 and 30 days prior to each enrollment anniversary.	Microsoft account team will process your True-up order and record any changes to your Microsoft license counts. As always, you may view your current licensing information using the Volume Licensing Service Center (VLSC).

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Determining what has changed

Your organization is unique, and its systems, applications, and services needs may change over the life of your Enterprise Agreement, requiring a change to your on-premises software licenses or Online Services orders.

The true-up process provides a simple, effective way to account for any increase in licensed products and helps ensure your licensing is current and accurate. We suggest that you ask the following kinds of questions to help identify possible areas of growth and change:

- Did our computer or employee (user) base grow this year?
- Did we make any acquisitions?
- Did we increase the number of our servers? Did we cluster any servers?
- Did we transition any users to/from on-premises licenses to/from Online Services subscription licenses?
- Did we reserve* any Online Services subscriptions licenses prior to use?
- Have we deployed any virtualized server or desktop environments?
- Did we roll out any desktop applications, such as Microsoft Office Project, Microsoft Office Visio, Microsoft Office OneNote, or Microsoft MapPoint?
- Did we set any servers for warm or hot disaster recovery?
- Did we put into production any piloted products or applications?

* License Reservation is a process available to Enterprise Agreement customers. It makes licenses for Online Services available without requiring a formal purchase order. At anniversary, you report any license reservations made during the prior agreement period and place a purchase order as part of the true-up process.

Enrollment true-ups

With the Enterprise Agreement, you purchase your software licenses through enrollments. Each enrollment includes certain categories of products and Online Services, and each has its own true-up timeline(s) and terminology.

Enterprise Enrollment

With the Enterprise Enrollment, you can choose to run a mix of device software and cloud services across your organization. As part of this three-year enrollment, your company is required to perform an annual true-up inventory to identify the number of qualified devices and users, license transitions, Online Services reservations, and decreases in subscription licenses (as permitted), as well as additional usage of previously ordered products that may have taken place during the previous 12 months.

Server and Cloud Enrollment (SCE)

With the Server and Cloud Enrollment (SCE), you can license one or more core server and cloud technologies spanning Windows Server and System Center, Microsoft SQL Server, Microsoft BizTalk Server, Microsoft SharePoint Server, Visual Studio, and Microsoft Azure.

SCE has a three-year term and gives you the option to true-up annually. Although your company is required to perform an annual true-up inventory, the process focuses mainly on the number of processors, servers, subscriptions, and Client Access Licenses (CALs) acquired or used.

Enrollment Subscription option

Both the Enterprise Enrollment and SCE are available as subscriptions that allow to you gain access to Microsoft software only for as long as you maintain your subscription. If you have chosen this agreement option, your true-up is referred to as an annual order, and it gives you the ability to increase or decrease subscription counts on an annual basis.

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Accounting for different products

While Enterprise Agreement Enrollments offer compelling pricing advantages, each includes certain categories of products and Online Services that need to be reconciled as part of your annual true-up for all Affiliates included in your Enterprise. The following are general guidelines for accounting for these products during your true-up. For more detailed true-up process guidance, contact your reseller, Microsoft account team, or Software Asset Management (SAM) partner.

Enterprise products
This is the core product set under your Enterprise Agreement's Enterprise Enrollment, which is licensed according to the total Qualified User or Qualified Device count for your organization.

- To prepare for your true-up order, count the current number of Qualified Devices and Users for all Affiliates included in the Enterprise.
- Calculate the difference between the last reported true-up count and the current count of Qualified Devices and/or Users.
- Determine which licenses are required for the new users and devices based on your chosen Platform option and accounting for users and devices covered by Enterprise Online Services as described in Online Services (refer to your enrollment details for licenses required).
- Submit the true-up order based on above calculations.

    Example: Enterprise products:

    In this example, the Enterprise is covered with the Professional Desktop Platform and does not include any new Enterprise Online Services users.

    - Current number of Qualified Devices and Users for all Affiliates = 1,000
    - Your last reported true-up accounted for 950 Qualified Devices and Users; therefore, the difference is 50.
    - The true-up order would be for 50 Office Professional Plus, 50 Core CAL, and 50 Windows Operating System Upgrade licenses covering the users of the Professional Desktop platform.

Server and Cloud products
Under your Server and Cloud Enrollment (SCE), you are required to account for any licenses required for any Core Infrastructure, Application Platform, or Developer Platform Products used/installed since the last true-up for all Affiliates included in the Enterprise. Submit the order for the difference between those used/installed and the last reported count. This includes Licenses for which the Product was used or installed at any time since the last true-up, even if the licenses are not in active use at the time of your true-up.

Online Services
For Online Services eligible for true-up (see the Microsoft Product List), you must account for any License Reservations that have not yet been reconciled in a prior true-up order (confirm your prior reconciliations via the Volume Licensing Service Center). These include Enterprise Online Services that complement Microsoft Enterprise products and a subset of additional product Online Services eligible for true-up.

    Example: Enterprise Online Services:

    In this example, your organization has 100 new qualified devices and users to account for on a Desktop Professional Platform (which includes Office Professional Plus).

    - During the year, you place License Reservations for 60 new user Licenses in the VLSC for Office 365 Plan E3 and have provisioned those users with the Online Service.
    - Deduct the 60 new Office 365 Plan E3 users from the total 100 new users, leaving 40 Office Professional Plus and 40 Core CAL licenses to be accounted for.
    - Add 60 Core CAL Bridge SKUs* to cover the Office 365 users.

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- Include all 100 new devices in Windows operating system upgrade count.

- The true-up order would be for 100 Windows Operating System Upgrade, 40 Office Professional Plus client, 40 Core CAL, 60 Office 365 (Plan E3), and 60 Core CAL Bridge.

* CAL Suite Bridge SKUs now exist to help you maintain licensed coverage for the Core CAL and Enterprise CAL components that do not have cloud equivalents. When you transition your licenses from on-premises to Online Services, you benefit from the ability to "break up" your CAL Suite to align with the online services license constructs.

Additional products

This includes any product other than Enterprise products, Enterprise Online Services, Server, and Cloud products that you have chosen to license under your Enterprise Agreement's Enrollments. Product licensing requirements vary according to the product. For all additional product licenses not including Online Services, account for any licenses required for any products used/installed since the last true-up. Submit the order for the difference between those used/installed and the last reported count. This includes licenses for which the Product was used or installed at any time since the last true-up, even if the licenses are not in active use at the time of your true-up.

Transitions from L&SA to a Subscription License

As part of the true-up, you will account for any license transitions (for example, transitions to Online Services or Software Assurance subscriptions). These will be reconciled as Transition Period licenses for the period prior to the anniversary. Note that the Transition Period licenses will be replaced with full licenses from the anniversary through the end of term. Quantities for licenses from which you are transitioning will be reduced at your enrollment anniversary. You will see this reflected as a quantity reduction to your current purchase order for the remaining years of coverage. Your annual invoices associated with this purchase order will be adjusted accordingly for the remainder of your enrollment. For the final true-up, you will report Transition Period licenses only. The associated reductions for licenses from which you are transitioning will be accounted for in the renewal order.

Example: Transitions from L&SA to a Subscription License:

- In this example, 30 users (using 30 devices) are moved from an on-premises deployment of Office Professional Plus and Core CAL licenses to Office 365 (Plan E3) in the first year of your enrollment. During the year, you place License Reservations for these 30 users in the VLSC for Office 365 Plan E3 and have provisioned those users with the Online Service.

- At the time of true-up, you would report the transition as 30 Transition Period licenses of Office 365 (Plan E3) with coverage through that year's anniversary.

- For the period of time following the anniversary, the order would include 30 Office 365 (Plan E3) licenses, replacement of 30 Core CAL licenses with Core CAL Bridge, and a reduction of 30 Office Professional Plus licenses from the original order.

Note: If you are transitioning back from a Subscription license to a license covered by Software Assurance, your Account Manager should assist with the Transition because validation of the underlying licenses with Software Assurance is a step in this process.

License Reductions

For licenses eligible for License Reduction, you may report these as part of the true-up order process. These reductions will be reflected as a quantity reduction on a prior purchase order, and will reduce the annual invoices associated with the purchase order for the remainder of the enrollment.

Subscription option

If you are using the Enterprise Agreement's subscription option, you will place an Annual Order instead of a true-up. With the Annual Order, you will report total license counts instead of differences since the prior reported count, accounting for both

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growth and reductions in required licenses. Under Subscription, additional products must be accounted for within 30 days of installation/use and are not eligible to defer reporting until the Annual Order, with the exception of Online Services eligible for true-up, for which license Reservations may be reconciled in the Annual Order (see Online Services above).

Example: Subscription Enrollments

- You added 200 new Qualified Devices and Users to the existing 3,300 on your subscription. These 3,300 were accounted for in your last Annual Order for the Desktop Professional Platform.
- You would now order 3,500 Office Professional Plus, 3,500 Core CAL, and 3,500 Windows Operating System Upgrade L&SA Subscription for this year's annual subscription.

It is important that the reconciliation address all of these categories as they apply to your organization. Because of the differences in how the products are licensed, an organization could have growth in the use of additional products, even in a year when the device or user count remained flat. Understanding the software assets within your organization can help you maintain control of your business and optimize your resources to match your IT strategy. Although the complexities of managing software across an organization can be challenging, here are some consistent methods that can provide structure to inventorying your Enterprise Agreement licenses.

Get started on your true-up

What systems need to be inventoried?

During your true-up process, the following elements should be inventoried:
- Devices, including all servers, computers (desktops, laptops, and terminals), and mobile devices that use Microsoft-licensed software. You must document the number of the devices and the service date.
- The number of qualifying, underlying operating system licenses on devices, including the type of operating system and service date.
- All Microsoft application software. For the most current product list, go to **/product-licensing/products.aspx**.
- The number of User CALs and Device CALs within your enterprise. A User CAL allows a single user to use any device to access software on multiple licensed servers. A Device CAL allows a single device to access multiple licensed servers (for example, mobile devices like smart phones, which often access several servers including Exchange, Windows, and SQL), and also allows multiple users to use a single device (for example, call center workstations).
- License Reservations. For Online Services allowing for License reservation and service activation prior to ordering, you need to account for the quantity and dates these were reserved, as well as the associated devices or users added requiring true-up for on-premises software.

Looking forward: best practices

Perform a SAM review.
Your annual true-up event is an ideal time to perform a Software Asset Management (SAM) review. SAM is a set of industry best practices that can help you control costs, improve compliance and security, and anticipate future software needs as your company grows. Visit **www.microsoft.com/sam** for tips and tools to help you perform a software inventory.

Additionally, Microsoft has hundreds of accredited SAM partners that are able to provide cost-effective true-up assistance. To learn more or find a SAM partner near you, go to **www.microsoft.com/sam** and click the Partner tab.

Use this year to prepare for next year.
After you complete the true-up process, you should retain a copy of your inventory to use in the future. This copy is especially important if you are completing the process manually. We also recommend that you consider performing interim quarterly inventories of your licensed IT infrastructure to reduce the time it takes to perform the annual true-up exercise. An established SAM strategy can help streamline this process.

Resources and support

If you need more information, please visit **www.microsoft.com/licensing**.
For additional questions regarding Microsoft Volume Licensing Services or Software Assurance benefits, please contact your reseller or Microsoft account team, or call your local Volume Licensing Service Center support number, which you can find at **www.microsoft.com/licensing/servicecenter/Help/Contact.aspx**.

For more information on Software Asset Management, please visit **www.microsoft.com/sam** to download a SAM Optimization Kit or find an accredited SAM partner.

Upon true-up completion

Your purchase history and license summary will be updated and available for viewing via the Volume Licensing Service Center at **www.microsoft.com/licensing/servicecenter**.

Need help?

Contact your reseller or Microsoft account team or check the Microsoft Volume Licensing Services website at **www.microsoft.com/licensing**.

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Review your Online Services information

Microsoft tracks your license reservations for Microsoft Online Services that are eligible for true-up and reports this information to you through the Volume Licensing Service Center (VLSC). For other licenses, your company's inventory approach will depend on your system setup.

Get help from a SAM partner

Consulting with a Microsoft SAM partner can help you assess your software environment and build a customized process to conduct true-ups quickly, accurately, and in a repeatable way. Microsoft SAM partners are experts in Software Asset Management processes, discovery tools, and Microsoft licensing. A cost-effective SAM engagement gives you the data you need to complete your true-up and a customized plan for managing software assets and future true-up reviews. Your Microsoft account team can help connect you with a SAM partner and get you started with a SAM engagement for your true-up.

Use automated tools and processes

You may already use a software inventory tool to help manage your software assets, and this tool is useful during the true-up process. A SAM partner can work with your existing tools, or help you identify new ones that can help you streamline your true-up inventory.

Microsoft System Center Configuration Manager includes inventory and asset intelligence capabilities that provide administrators with continuous visibility into hardware and software assets and usage. Configuration Manager collects software and hardware inventory for servers, clients, and mobile devices, then translates that data into rich reports that help administrators with software purchasing decisions, upgrade plans, and license reporting.

The Microsoft Assessment Planning (MAP) Toolkit features an IT-based Software Usage Tracker functionality that provides usage reports for the following server products: Microsoft Windows Server, Microsoft Exchange Server, Microsoft SQL Server, Microsoft SharePoint Server, and Microsoft System Center Configuration Manager. Learn more about MAP Toolkit at **http://www.microsoft.com/map**.

Your reseller or Microsoft account team should work with you to review the results of your inventory report and adjust Enterprise Agreement licenses as necessary. Consider both your hardware purchases and overall licensing usage throughout the true-up time frame.

Take a manual inventory

Enlist your staff in helping you take an inventory of your environment, and to document all servers, computers (desktops, laptops, and terminals), and mobile devices that use Microsoft-licensed software.

If you are participating in a SAM engagement, your SAM partner can help you identify ways to streamline this process, depending on your unique setup and needs.

Consider Microsoft payment solutions

After your true-up is complete, consider Microsoft Financing to structure a payment plan for any true-up expenses you may be facing. Microsoft payment solutions provide commercial and public sector customers with flexible payment options to structure technology spend to meet business and financial needs. You can align your payments to your budget, cash flow, or deployment schedules by creating a customized payment plan that fits your company's needs. For additional information and to learn whether payment solutions are available in your country/region, visit **www.microsoft.com/financing**.

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