

Enterprise Agreement overview

Basic terms

Term and structure

The Enterprise Agreement is designed for organizations with at least 500 users and/or devices that want to license software and cloud services for a minimum three-year period. 500 minimum user/device requirement is for commercial customers. Does not apply to Server and Cloud Enrollment (SCE). The minimum requirement for public sector customers is 250 users/devices.

The Enterprise Agreement is a three-year agreement that allows you to forecast software technology costs up to three years in advance. You can also take advantage of greater flexibility in managing technology expenditures, with the option to make three annual payments instead of one upfront payment. This option helps reduce initial costs and helps you forecast annual software budget requirements.

True-up

True-up supports business evolution by giving you the flexibility to add cloud services, software, users, and devices to the Enterprise Agreement when needed, at pre-agreed terms and pricing, without having to report or order on an ad-hoc basis. The True-up is an annual inventory of products, services, users, and devices added during the year. This is important because most organizations do not have a clear idea of how many users or devices they will have over the next three years, and they may be inclined to over purchase to be safe. The True-up helps save money by allowing you to purchase just what is needed today and then add more quantities when they are needed.

True-up timeline

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 agreement:

- **120 days:** Discuss the True-up with your account team, Licensing Solution Provider (LSP), or Enterprise Software Advisor (ESA)
- **90 days:** Review the licensing changes you have found with your account team, LSP, or ESA.
- **60 days:** Review the True-up order provided by your account team, LSP, or ESA.
- **30 days:** Finalize your True-up between 60 and 30 days prior to your Enrollment Anniversary.
- **Right before:** Your True-up order is placed and any changes to license counts are recorded.

If no changes have been made, an Update Statement must be submitted to Microsoft.

New product versions

With your Enterprise Agreement, you automatically gain access to new software versions of licensed products as soon as they're released, and for no additional cost through your Software Assurance (SA) benefits.

Step-up availability

With Step-ups, you can upgrade from a lower- to a higher-level edition at a lower cost. Rather than pay full cost for the higher-level software edition, you pay only the price difference and you can still take advantage of enhanced features and technologies with premium editions.

Enrollments

Enterprise Agreement enrollments

Enrollments are a cost-effective way to license Microsoft solutions to meet organizational objectives and offer additional savings and benefits. The enrollment structure includes additional built-in discounts and allows for the easy addition of new products, services, and licensing options to better support future licensing and deployment scenarios.

Enterprise Enrollment

Get the best value when you buy Microsoft end-user technologies on a per user, per device, or hybrid basis. You can also simplify license management and get true per user licensing when you add Microsoft 365.

Server and Cloud Enrollment (SCE)

Commit to one or more server and cloud technologies from Microsoft and receive the best pricing, cloud-optimized licensing options, and simplified license management.

Subscription Enrollment

For companies that want to subscribe to, rather than buy, Microsoft product licenses.

The Enterprise Enrollment

The Enterprise Enrollment allows committed customers to standardize broadly on the latest versions of Office, Windows, and/or Client Access License (CAL) Suites. In return for making an enterprise-wide commitment, you receive a range of benefits, including the best pricing and terms, user/device or hybrid licensing options, and simplified license management, while letting you choose whether to deploy cloud services and/or on-premises software across your organization.

You also have the flexibility to maintain a mix of on-premises and online services to suit user needs and can move from on-premises licensing to equivalent online services such as the Microsoft 365 suite as business priorities change. Such organization-wide implementations help you reduce device and user management and support costs and provide additional pricing advantages above the Enterprise Agreement’s standard volume pricing levels. Get additional savings when you buy an Enterprise Platform and Microsoft 365 suite within the Enterprise Enrollment.

Enterprise Enrollment products and platforms

Enterprise Products include on-premises licenses for Microsoft core PC and device products, namely Windows operating system, Office Professional Plus, and applicable Client Access Licenses in the form of CAL Suites. With the Enterprise Agreement, Enterprise Products must be licensed on an organization-wide basis and may be ordered as separate products, or in groups of products known as the Enterprise Platform (formally Pro Desktop). The Microsoft 365 suite is now also available as a User Subscription License (USL) or as an Add-on to the Enterprise Platform.

Enterprise Platform per device/hybrid
Office Professional Plus
Enterprise CAL Suites
Windows Enterprise

NOTE: All Windows operating system licenses provided under the Enterprise Agreement are upgrade licenses. This means you'll need a base Windows operating system license (either through Original Equipment Manufacturer (OEM) or retail (FPP) purchase) on those devices for which you plan to use a Windows upgrade license. You can now choose to upgrade to Windows Enterprise operating system.

NOTE: With either Desktop Platform you may add the Microsoft Desktop Optimization Pack (MDOP) to help streamline deployment and device management as part of your Software Assurance benefits.

CAL Suites

A Client Access License (CAL) grants access to certain Microsoft server software. CALs are used in conjunction with Microsoft server software licenses to allow users and devices to access and utilize the services of that server software.

When you license CAL Suites through your Enterprise Agreement, you do so on an organization-wide basis.

You can acquire the Enterprise CAL Suites upfront or as a “Step-up” from the Core CAL Suite. Also, if you acquire CAL Suites through an Enterprise Agreement you have Software Assurance, so you can update your CALs as you update your Server products to help ensure proper licensing alignment.

For more information about CAL Suites, see [CAL Suites](#).

Server and Cloud Enrollment (SCE)

SCE is an enrollment under the Microsoft Enterprise Agreement that enables you to standardize broadly on one or more key server and cloud technologies from Microsoft. In exchange for making an installed-base commitment on one or more components of Server and Cloud Enrollment, you receive the best pricing and terms, plus other benefits including cloud-optimized licensing options and simplified license management.

Manageable

Take advantage of simplified licensing management through standardization to streamline overall deployment and management. SCE also offers standardized terms, conditions, and discounts as well as a standardized management platform across on-premises and Microsoft Azure when you commit to the Core Infrastructure Suite (CIS) in SCE.

SCE components

	Core Infrastructure	Application Platform	Developer Platform
Products	CIS SKUs (Windows Server + System Center)	SQL Server (minimum of 50 Cores or 5 Server+CAL licenses with 250 User and/or Device CALs), BizTalk (minimum of 24 Cores of any edition), and SharePoint (minimum of 5 Server)	<ul style="list-style-type: none">Visual Studio EnterpriseVisual Studio Test Professional, and MSDN Platforms (minimum of 20 subscriptions of either products or a combination of all 3)
Requirements	CIS coverage for all Windows Servers (minimum 400 Cores of either edition or a combination of both)	Full Software Assurance coverage	Full software Assurance coverage

For more information, see [SCE Program Guide](#).

Additional products

A broad selection of Microsoft products and services are available as Additional Products. This may be added initially or at any point during the term of your Enrollment, allowing you to more easily support departments or divisions with specific needs and still enjoy volume pricing advantages and an annualized payment option.

Additional Products may include device-based licenses, user-based licenses, cloud services, professional services, and other licenses that support your IT environment, such as CALs.

Commitment on use

Commitment on Use Rights provides you with the added security of knowing exactly what the user rights are for the products you license under your Enterprise Agreement Enrollment(s). Although Microsoft may change Use Rights from time to time, these changes won't impact your Use Rights that are in effect at the time you buy products through your Enterprise Agreement.

How it works

To enroll, an installed-base-wide-commitment, or a monetary commitment in the case of Microsoft Azure, is required to one or more of the four SCE components. The following are also required:

Enterprise Agreement:

Although you need to sign an Enterprise Agreement, an Enterprise Enrollment for Desktop isn't needed to qualify.

Annuity coverage:

100% Software Assurance or Subscription coverage is required on your installed base for each product family that you commit to. This includes those licenses that weren't covered by Software Assurance when you entered the program.

Learn more about SCE by downloading the [SCE Program Guide](#).

Subscription Enrollment

Enterprise Subscription Agreement Enrollment

The Enterprise Agreement includes a Subscription Enrollment option for organizations that want to subscribe to, rather than buy, Microsoft product licenses.

The Subscription Enrollments provides similar advantages to those of the other Enterprise Agreement Enrollments and gives you a lower initial cost based on a three-year subscription, and the ability to increase or decrease subscription counts on an annual basis. This ability to grow or downsize subscription counts can be attractive, especially if you expect significant fluctuations in workforce size and IT requirements.

However, unlike the other Enterprise Agreement Enrollments, in which you retain perpetual use rights for the licenses that you buy, with the Enterprise Subscription Enrollment you gain access to Microsoft software only for as long as you maintain your subscription. If you decide not to renew, you relinquish your rights to run the software, unless you choose to acquire perpetual licenses through the Enrollment's "buy out" option.

Cloud services

With respect to your Enterprise Agreement, cloud services will typically fall into two classes: Enterprise Online Services or Additional Online Services. These may be added to your Enterprise Agreement by using the standard purchasing process, or as in the case of Office 365 and Microsoft Intune and Enterprise Mobility + Security, by moving users from Enterprise Products to comparable Enterprise Online Services.

Enterprise Online Services

These are services that are designated as Enterprise Online Services in the [Product Terms](#). (formally the Product Use Rights). These typically fall in line with existing on-premises Enterprise Products so that the two may be thought of as equivalents when satisfying organization-wide licensing commitments and establishing volume pricing levels.

With the Enterprise Agreement you can move select on-premises licenses (Enterprise Products) to comparable cloud services (Enterprise Online Services) over the life of the Enterprise Agreement. As an example, you might move workers to cloud services in one division or one department at a time. To support this move, rules have been established to help you move users to Office 365 and Enterprise Mobility + Security services, and to help ensure that you don't pay twice for similar capabilities.

Additional Online Services

These are services that are designated as Additional Online Services in the [Product Terms](#). Additional Online Services include an array of cloud platform and services that you can buy through your Enrollments as needed, similar to how you buy Additional Products through your Enrollments today. An example of an Additional Online service:

- With Microsoft Azure you have an open and flexible cloud platform that enables you to quickly build, deploy, and manage applications across a global network of Microsoft-managed data centers. As such, Azure offers a range of cloud computing, data management, and networking services that utilize consumption-based, per unit billing models.

Software Assurance

Software Assurance is included with the Enterprise Agreement and provides a range of benefits to help you take full advantage of your investments in IT. A comprehensive program that includes a unique set of technologies, services, and rights to help deploy, manage, and use Microsoft products efficiently, Software Assurance keeps you up to date and ready to respond quickly to changes, new challenges, and opportunities. For details about the range of Software Assurance benefits available, visit <http://www.microsoft.com/en-us/licensing/licensing-programs/software-assurance-default.aspx>.

Key advantages of Software Assurance include:

- Rights to new software releases and cost-efficient upgrades to help reduce software and services costs.
- Access to unique technologies and use rights to help support improved operational efficiency.
- Ways to spread payments over time to help align budgets.

Software Assurance benefits at a glance

Benefits	Applications Pool	Systems Pool	Server Pool
New Version Rights	X	X	X
Office for the web, Office Online Server	X		
Enterprise Source Licensing Program		X	
Enterprise Sideloading		X	
Microsoft Desktop Optimization Pack (MDOP)		X	
Windows Virtual Desktop Access (VDA)		X	
Workplace Discount Program	X		
Microsoft Dynamics CustomerSource			X
Step-Up License	X		X
Servers - Disaster Recovery Rights			X
License Mobility			X
Servers - Self Hosted Applications			X
Windows SA per User Add-on Purchase Rights		X	
Virtualization Rights for Windows and Windows Embedded Desktops		X	

Managing your Enterprise Agreement

Adding cloud services & products

Throughout your Enterprise Agreement term, you can adjust your Microsoft on-premises software and cloud services licenses in two ways:

- If you add new users or devices, you can equip them with software and cloud services that you're already using and then account for these changes at your next agreement anniversary through an annual reconciliation process known as *True-up*.
- If you want new products or cloud services, you can order these through your Microsoft Reseller at any time during your agreement.

Product fulfillment

You can access your licensed software via the [Microsoft 365 admin center](#). All functionalities of the Volume Licensing Service Center (VLSC) are now available there.

Managing cloud services subscriptions

Although management processes may be modified to accommodate future cloud service offerings, currently there are three principal ways to manage Microsoft cloud services:

- Use the [Microsoft 365 Admin Center](#) to manage your cloud subscriptions. This consolidated portal lets you view your online services subscription licenses as well as provision and manage individual user accounts and administrative privileges (for example manage domain re-delegation, directory synchronization, and single sign-on).
- Similarly, you may use the [Microsoft Azure admin center](#) to manage your accounts, configure rules and settings for various Microsoft Azure services, and generate reports.
- User Microsoft Endpoint Configuration Manager (MCEM) to manage both public and private Microsoft cloud implementations. The comprehensive management capabilities of MCEM enable it to monitor and manage your entire IT infrastructure stack from traditional physical servers, virtualized servers, virtual machines, and running workloads, all the way up to service-based cloud components.

Software Assurance credit

Microsoft may choose to provide Software Assurance credit to address an overlap in Software Assurance coverage when renewing Software Assurance from one Enrollment or Registration Form, prior to expiration of that Software Assurance coverage, into a new or existing Enterprise Enrollment.

As this credit is applied in terms of a discounted price to the Software Assurance under the new order, a Customer (direct model) or Channel (indirect model) Price Sheet from Microsoft is required. Furthermore, because Software Assurance credit isn't programmatic, Microsoft may choose to not provide credit at its discretion.

Requirements

- Enterprise Agreement Enrollments (perpetual licenses) only
- Microsoft must pre-approve

- You must have at least one month of credit
- Credit is applied for same products/versions only
- Credit cannot exceed 35 months
- Only Software Assurance is credited; License payments aren't prorated
- No termination of original/initial Software Assurance obligations

How it works

- Microsoft-generated CPS documents pricing
- Amendment required for indirect Enterprise Agreement Enrollments
- Software Assurance prorated monthly based on new Software Assurance net price (After discounts, if any)
- All credit is applied to year 1 on a per product basis
- Any credit in excess of zero-unit price year 1 is applied to year 2 and subsequently to year 3 if applicable

True-up: annual reconciliation

Over the life of your Enterprise Agreement, you can equip additional hardware, devices, or users with software and online services that you've already licensed and then account for these changes through an annual reconciliation process known as True-up. If you have an Enterprise Subscription Enrollment, this process is known as an Annual Order, through which you can increase or decrease your license subscription counts.

Once a year, you're asked to reconcile your Enterprise Agreement licenses to account for the total number of licenses that you've added in the previous 12 months. This effort culminates in an order that you place (or an Update Statement that you submit) that reconciles all the qualified devices, users, and processor units added or used by your organization over the course of the year. Your annual reconciliation order (or Update Statement) is due 30 to 60 days prior to your Enrollment anniversary, which helps Microsoft ensure you're taking advantage of allowable license transitions or license reductions before issuing your annual invoice (*See the [Enterprise Agreement True-up Guide](#) for more information.*)

Renewing enrollments

Although Microsoft and customers often talk about renewing an Enterprise Agreement, technically, renewal decisions are made for individual Enrollments.

Options for renewing your enrollments

At the end of your three-year Enrollment term, you'll have the option to renew for another three-year cycle. Beyond your initial three-year agreement, renewal pricing for on-premises software licenses is based on Software Assurance only – a moderate percentage of Enterprise Pricing for on-premises licenses.

If you have an Enterprise Subscription Enrollment, this renewal differs in that renewal pricing for on-premises software licenses is based on License plus Software Assurance. Furthermore, a buyout option exists for customers who want to retain perpetual rights to previously licensed on-premises software.

As with the annual reconciliation process, it's important to work with your Microsoft Account Representative or Partner to submit your renewal order 30 days before your agreement term ends to avoid losing valuable licensing rights, continuity of cloud services, and other benefits.

Why True-up

Buy only what you need and use what you have

- When needed, buy additional quantities of software and services at pre-negotiated pricing and terms.
- Pay only for what you need rather than potentially overestimating what's needed just to be safe.
- Reduce procurement costs by issuing only one purchase order a year.

Respond to changing business needs by accessing the latest technologies from Microsoft when needed

- Respond to business growth by adding or removing* software, devices and users as needed without having to place individual purchase orders.
- Easily provision new online services as needed through License Reservation and reconcile annually.
- Optimize your licensing program and plan more strategically for future investments.

Simplify purchasing and license management through a single annual order

- Make an annual self-assessment to identify licenses and services in use and identify new needs.
- Easily manage compliance by ensuring that licensing is current and accurate each year.
- Work with your account team or Microsoft Certified Partner as they help define the best solutions for your organization and help manage your agreement.

* Available with the Enterprise Subscription Enrollment

Resources

Online management tools and information

Designated members of your organization gain access to the [Microsoft 365 admin center](#) where you can manage your Online Services Subscription Licenses, download your licensed software products, access product keys, manage your Volume Licensing agreements, review your license acquisition activity, and more.

Software Assurance benefits

You can access most Software Assurance benefits through the [Microsoft 365 admin center](#). Review the [Software Assurance benefits](#) section of the Microsoft Product Terms for details about the available benefits.

Buying, renewing, or adding to the Enterprise Agreement

- To buy, renew, or add products and services to your Enterprise Agreement, contact your Microsoft Authorized Enterprise Software Advisor (ESA) or Licensing Solutions Provider (LSP).
- In the United States, call (800) 426-9400, or find an authorized reseller
- In Canada, call the Microsoft Resource Centre at (877) 568-2495

Academic, government, and charitable organizations

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Glossary

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