

Microsoft® Volume Licensing Reference Guide

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CHAPTER 1: INTRODUCTION TO VOLUME LICENSING

Acquiring software licenses through Microsoft® Volume Licensing is different than acquiring retail boxed software licenses. A retail software license is usually sold in a box and contains media (floppy disk, CD-ROM, or DVD format), a user's guide, access to product support, and Microsoft Software License Terms (formerly known as the End User License Agreement or EULA). The Software License Terms dictate how the software may and may not be used.

Software acquired through Microsoft Volume Licensing is a software license only. A software license provides the right to run a Microsoft software product.

Savings above retail boxed software prices can be realized by participating in a Microsoft Volume Licensing program. By acquiring software licenses through Volume Licensing, you can pay for only the software license. Or in the case of some Microsoft Volume Licensing programs, you can also purchase Software Assurance. Microsoft Software Assurance is a comprehensive maintenance offering that helps you get the most out of your software investment. It combines the latest software with phone support, partner services, training, and IT tools. You can choose Software Assurance at the time of purchase and begin using your benefits immediately for the term of your license agreement.

Depending on the Volume Licensing program, you may receive media, and you have the option to acquire media (or supplemental media), documentation, and product support separately via download or physical media as needed.

Keys to Understanding Microsoft Volume Licensing

Listed below are a few keys to understanding the major characteristics of Microsoft Volume Licensing policies and programs and to choosing the best option for your organization:

- The size and type of your organization
- The products you want to license
- The way in which you want to use those products

In this chapter...

- [Keys to Understanding Microsoft Volume Licensing](#)
- [How to Use This Guide](#)

At the most elementary level, Microsoft Volume Licensing program models address organizations in two main categories: organizations with more than 5 but fewer than 250 computers and organizations with more than 250 computers.

For those organizations with fewer than 250 computers, the Microsoft Open Programs provide volume discounts for a minimal up-front cost and are available broadly through a worldwide partner channel. Open Programs provide three purchasing license options for commercial businesses: Open Value, Open Value Subscription, and Open License.

- Open Value is for organizations with as few as five desktop PCs and offers the advantages of Software Assurance, simplified license management, and an annual payment structure. The Open Value program offers three options: company-wide, non-company-wide, and Open Value Subscription.
- Open Value Subscription is for customers in some regions who want to subscribe to, rather than acquire, Microsoft product licenses. Microsoft Open Value Subscription provides the lowest up-front costs of the Open Programs with flexibility to reduce your total licensing costs in years when your desktop PC count declines.
- Open License is for customers who want a minimum initial purchase of five software licenses. This program is ideal if you prefer to pay-as-you-go, an important feature for a growing organization's changing business needs.
 - You may qualify for volume purchasing under the volume feature of Open License. Open volume purchasing is for customers who can meet minimum purchase levels using a system of product pools and points. With an entry minimum of 500 points from a single product pool, this program offers deeper discounts for a greater savings.

For organizations with 250 or more desktop PCs, Microsoft offers the following four options:

- Enterprise Agreement is for larger organizations that want to standardize IT across the enterprise. Based on a three-year enrollment term, it provides the deepest pricing discounts and the advantages of Software Assurance.
- Enterprise Subscription Agreement is a Volume Licensing program for large organizations that want to subscribe to—rather than purchase—Microsoft software licenses. This program provides lower annual payments than an Enterprise Agreement but the right to use the software ends at the end of the three-year agreement term.

- Select Plus is for large organizations with multiple affiliates that want to license software and services at any business unit level while still getting the advantages of being a single organization.
- Select License is for organizations that have mixed software requirements. It is based on a forecast-licensing model in which use is measured against the forecast. This program offers a flexible and cost-effective way to make licensing purchases on a pay-as-you-go basis.

In addition to size, the organization's primary function should be considered. For example, additional discounts are given to some public sector organizations such as schools and universities.

Public Sector Organizations

For public sector organizations with fewer than 250 PCs, Microsoft offers versions of the Open Programs: Open License, Open Value, and Open Value Subscription. The Open License for Academic and Open License for Government programs are similar to the commercial Open License program, but with different pricing and partner channels. In some regions, government organizations may also participate in the Open Value for Government and Open Value Subscription for Government programs. In some regions, charitable organizations can participate in the Open License for Charities program. Check with your Microsoft reseller for availability.

Government and education organizations with more than 250 PCs may participate in the Select Plus and Select License programs. The Enterprise Agreement program is also offered to government organizations.

For education institutions that prefer to license their software on an annual subscription basis, Microsoft offers two unique programs: Microsoft Campus Agreement for higher education and Microsoft School Agreement for primary and secondary education institutions.

Microsoft also has programs that can meet the specific needs of organizations that partner with Microsoft to provide additional software and services. These include the ISV Royalty Licensing Program and the Services Provider License Agreement (SPLA).

Another key factor to consider—aside from organizational type and size—is which products you need to license. Different product families require different licensing models. For example, a desktop PC program, such as the 2007 Microsoft® Office system, requires a license for each device that is running the program. Any number

of copies and any prior version may be installed on the device or on a network device.

A desktop PC operating system, such as the Windows Vista® operating system, requires a license for each device accessing the licensed product (locally and remotely). And only one copy may be installed on the device. In Microsoft Volume Licensing, the desktop PC operating system license is usually an “upgrade” license and must be for a device that is already licensed with a qualifying “full” operating system. Meanwhile, most server products require a license for each running instance of the server software you run on a server—whether in a physical or virtual operating system environment. However, some products provide broader use rights. For example, a Windows Server® 2008 Enterprise license permits a running instance in up to four virtual operating system environments plus one host instance on the physical device at a time on the licensed server. With some products, such as Windows Server 2008 Datacenter, any number of instances may run at the same time as long as each physical processor is licensed on the licensed server.

Server operating system products require a Client Access License (CAL) for each user or device that accesses the server software. CALs are version specific. They 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.

Additionally, there are conditions applied to how certain products can be used—such as Web servers, which must be used only for Web-based applications.

MICROSOFT FINANCING

Microsoft Financing provides commercial organizations an affordable and predictable way to acquire the IT solution that businesses need to help cut costs and increase efficiencies. Microsoft Financing can help you focus on what matters most: finding the best IT solution to support the success of your business.

Microsoft Financing serves businesses of all sizes and finances a complete range of technology needs, including software, services, partner products, and hardware. Our solution partners work with you to define your technology-related business needs and objectives, set up a payment structure that can work with your budget, and help you maintain important cash flow.

Microsoft Financing offers qualified customers immediate access to funds so that you can purchase and deploy the IT solution that you need. No down payment is

required, and terms range from two to five years, making it easy to match your payments to realized IT benefits immediately.

Microsoft Financing helps you be strategic with your IT purchases in the following ways:

- Get the IT solution you need to achieve 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.

How to Use This Guide

This guide is an overview of the key features of Microsoft Volume Licensing programs. The information is presented by organizational type and size—two of the most important keys to determining your best Volume Licensing option.

The key chapters by organizational type are:

- Commercial Business
- Academic
- Government
- Charity
- Software and Service Partners

Each chapter also contains information about the additional benefits and resources that are available with each program, such as software asset tracking tools, maintenance programs, and online management services. A quick feature comparison chart and an online selection tool are provided at the end of each chapter.

In addition, separate chapters provide overviews of two key areas: Product Use Rights, which provides an overview of product-specific terms and conditions that govern how Microsoft products can be used in the Volume Licensing programs, and Software Assurance, the enhanced Microsoft maintenance program. These important topics apply to all Volume Licensing programs in varying manners and are worthy of a more in-depth understanding.

CHAPTER 2: CHOOSING A VOLUME LICENSING PROGRAM FOR YOUR ORGANIZATION

This section focuses on the Microsoft Volume Licensing programs available for commercial businesses of all sizes.

Microsoft offers a variety of programs to help businesses manage the purchase of software licenses. These programs cover everything from smaller organizations with a handful of desktop PCs to mega-organizations that manage tens of thousands of client and server units.

Volume discounts are the most obvious benefit of these programs. But Volume Licensing programs also help organizations with tasks such as:

- Tracking software use to ensure legal compliancy
- Deploying updates and new versions, especially on desktop PCs
- Organizing software license purchasing through centralized purchasing practices

In general, Microsoft Volume Licensing programs align to two main categories: programs for companies with fewer than 250 desktop PCs and programs for companies with more than 250 desktop PCs.

For companies with fewer than 250 desktop PCs, the Microsoft Open Programs, Open Value, Open Value Subscription, and Open License, offer flexible, low-entry requirements. Open Programs offer three variations to meet an organization's needs, all of which are available from a reseller channel, solution providers, and online vendors.

For organizations with 250 or more PCs, Microsoft offers the Microsoft Enterprise Agreement, Enterprise Subscription Agreement, Select Plus, and Select License options through Microsoft Large Account Resellers (LARs) and Microsoft Enterprise Software Advisors (ESAs). Both provide flexibility in payment schedules.

In this chapter...

- [Microsoft Open Programs](#)
- [Microsoft Select License](#)
- [Microsoft Select Plus](#)
- [Microsoft Enterprise Agreement](#)
- [Comparing Volume Licensing Programs](#)

Microsoft Open Programs Are for Organizations with Fewer than 750 Desktop PCs

The Open Program offerings are a convenient and simple way for corporate, academic, charity¹, and government² organizations with at least five desktop PCs to acquire the latest Microsoft technology. Microsoft Open Programs, although available to any size organization, are most often used by organizations with fewer than 750 desktop PCs. They provide volume discounts for a minimal up-front cost and are available broadly through a worldwide partner channel.

The Open Programs offer many benefits, including:

- **Simplicity.** Start using licensed products as soon as your order is placed through the Open License pay-as-you-go model.
- **Affordability.** All Open Programs offer flexible payment options so that you can stretch your software procurement budgets further than retail license purchase options.
- **Flexibility.** A broad worldwide partner channel makes sure you have convenient and fast access to thousands of software titles.
- **Value.** Manage licenses easily and conveniently through the Microsoft Volume Licensing Service Center (VLSC).

THE MICROSOFT OPEN PROGRAM FAMILY: THREE OPTIONS

To increase program flexibility and keep the low-entry standard, the Microsoft Open Programs provide multiple purchasing

Microsoft Open Value Subscription Licensing Provides Flexibility for Low Up-front Cost

Founded in 1958, C. Rokas SA is a leader in renewable energy sources and electromechanical projects.

In 2002, Rokas conducted an internal audit of its IT infrastructure and found that its desktop PC systems were running countless combinations of software. Clearly, it was time for the Rokas IT team to streamline its operations. However, the cost of upgrading each desktop PC and server individually was prohibitive.

Evi Fousteri, Rokas' IT manager, chose the subscription option of the Open Value program because it gave Rokas the flexibility to reduce its total licensing costs if the number of desktop PCs at Rokas happened to decline, for the lowest up-front cost.

Today the company is in its fifth year of an Open Value Subscription agreement with Microsoft and reports that time spent managing and maintaining systems is 30 to 40 percent lower.

To read the full story, visit

<http://www.microsoft.com/casestudies/casestudy.aspx?casestudyid=4000000216>.

¹Not available for charitable organizations in all regions. Check with your reseller regarding availability in your country.

²Open Value is an option for government organizations with up to 250 desktop PCs.

options, including Open Value (Company-wide or Open Value Non-Company-wide,) Open Value Subscription, and Open License.

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 as a fixed benefit. Within the Open Value program, three options are available to choose from: Company-wide, Non-Company-wide, and Subscription.

Company-wide Option: Open Value Company-wide offers commercial and government organizations additional savings opportunities for organizations that want to standardize all their desktop PCs on one or more Microsoft enterprise products. With this single platform option, you can customize your desktop PC as you choose components from an operating system, the Microsoft Office 2007 suites, and CAL product pools, plus additional software products selected in your agreement that include the following platform product options.

- Microsoft Office 2007 suites: Microsoft Office Professional Plus, Microsoft Office Small Business, and Microsoft Office Enterprise
- Operating Systems: Windows Vista Business upgrade (with rights to Windows Vista Enterprise)
- Client Access License (CAL): Microsoft Core CAL Suite for the Windows Server, Windows Small Business CAL Suite, and Enterprise Business Server CAL Suite

The Open Value Company-wide option includes discounts on company (organization)-wide deployment, so you get the best deal for your software license purchases.

Non-Company-wide Option: The Non-Company-wide option is available for any product license purchases. If you need licenses for servers or for a limited number of desktop PCs, you can open a Non-Company-wide agreement.

Open Value Subscription

Open Value Subscription offers flexible annual payments tied to the number of desktop PCs you have and the lowest up-front costs. The Subscription option features:

- Additional savings in the first year if you have current or previous versions of company-wide licensed product.
- Annual payment made based on your desktop PC count for that year.
- Option to add the company-wide licensed products you have selected on new desktop PCs throughout the year at no additional cost for that year.
- Lower payment through the years as your desktop PC count declines.

Like the Company-wide option, the Subscription option offers the single-platform option to standardize desktop PC software across your organization with a customizable platform that allows you to mix and match components.

Platform Option

With both Open Value Company-wide and Open Value Subscription, you can choose to standardize desktop PC licensed product across your organization on all three components on the platform and receive additional savings. The platform option provides the simplest desktop PC license management solution because you do not need to track which version is installed on which desktop PC.

Open License

Open License is a good choice if you want a minimum initial purchase of five software licenses. This program is a two-year term commitment and is ideal if you prefer to pay as you go, an important feature for a growing organization's changing business needs.

Open License Volume Purchase Option: If you are purchasing larger volumes of Microsoft software licenses but still prefer to pay as you go, the volume option is a two-year term commitment with product pools and points and may be the best price option for you. This option provides deeper per-unit discounts, resulting in significant savings if the volume of software licenses is high enough.

To determine the viability of the volume option, you need to meet a minimum purchase level of 500 points. Points are determined by the software product mix and license quantity you plan to purchase. Because the volume option uses product pools and points to calculate the 500 point minimum purchase, it is important to understand the product pools and points formula.

Product pools group similar Microsoft software products to achieve deeper volume pricing discounts. Some examples are:

- The *applications* pool includes products such as the Microsoft Office 2007 suites, Microsoft Office Project, Microsoft Office Visio® drawing and

diagramming software, and the Microsoft Visual Studio® development system.

- The *systems* pool includes the Windows® operating system upgrades such as Windows Vista.
- The *server* pool includes products like the Windows Server Standard Edition operating system and Microsoft Exchange Server.

Point values are assigned to each licensed product. For example:

- Microsoft Office Professional Edition is worth two points.
- Windows Server is worth 15 points.

By adding the number of points earned, you can determine whether you will meet the minimum purchase requirement. For a full list of point values, visit the Product Licensing Web site at <http://www.microsoftvolumelicensing.com/userights/>.

Software Assurance

Microsoft Software Assurance is a comprehensive offering that helps you extend the value of your software investment. More than just maintenance, Software Assurance combines a broad range of benefits into one program to help organizations deploy, manage, and migrate software. If you choose to purchase Software Assurance, we recommend purchasing an Open Value Agreement instead of an Open License Agreement because Open Value comes with Software Assurance.

Jump to the [Software Assurance section](#) of this guide or learn more about Software Assurance at <http://www.microsoft.com/licensing/sa/default.msp>.

Managing Open Program Agreements

MICROSOFT VOLUME LICENSING SERVICE CENTER

The online Microsoft Volume Licensing Service Center (VLSC) tool provides convenient online solutions for Volume Licensing customers to easily manage licensing agreements and products. The VLSC is a password-protected Web site for viewing your license agreements and purchases and calculating current Microsoft License Statements for an easy-to-understand license summary. You can also use the site to view and request Volume Licensing Product Keys (VLKs), download licensed products available under your Volume Licensing entitlements, and activate and use your Software Assurance benefits. And with the VLSC, you can manage your access rights for internal staff and Software Assurance administrators.

For more information, visit <https://www.microsoft.com/licensing/servicecenter/>.

When you enter into your Microsoft Volume Licensing agreement, the contact person you designate receives an invitation and directions for accessing the online tool. A valid e-mail address is required when you sign the agreement to validate your VLSC account on first log on.

Microsoft Select License Is Best in a Mixed Software Environment

The Microsoft Select License program was designed specifically for medium and large organizations with 250 desktop PCs or more that have mixed software requirements and want a simple, flexible, and affordable way to purchase licenses for the latest Microsoft technology on a “pay-as-you-go” basis. Additionally, the Select Plus program is available as an upgrade to Select License and offers additional features and benefits such as a non-expiring agreement and automatic price reductions based on purchase volume.

Jump to the [Select Plus section](#) of this guide or learn more about Select Plus at <http://www.microsoft.com/licensing/programs/selplus/overview.mspx>.

The Select License program offers many benefits that help you realize the value of your software investments, including:

- **Incentive-based Pricing:** Reduce up-front software costs through volume-based pricing based on your forecasted purchasing volume.
- **Purchasing Options:** The “pay-as-you-go” model gives you the freedom to purchase what you need when you need it.
- **Accelerated Deployment:** Gain instant access to hundreds of software titles with media kits, making it easier to evaluate, deploy, and train employees.

AGREEMENT STRUCTURE

The structure of the Select License Agreement consists of three components: a Microsoft Business and Services Agreement (MBSA), the Select License Agreement, and a Select License enrollment.

1. A Microsoft Business and Services Agreement is required. This is a master agreement that defines contract terms common to Microsoft licensing,

service, and support agreements, and needs to be signed only once with or prior to the Select License Agreement.

2. The Select License Agreement establishes the details of your organization’s software licensing needs, such as forecast levels and product pools. It is worldwide and covers affiliated companies to achieve the best discounts.
3. The Select License enrollment supplies the basic information for affiliates to acquire software product licenses under the Select License Agreement. A LAR is also identified on the Select License enrollment.

The purpose of this agreement structure is to provide greater flexibility for enrolled affiliates located in different countries and regions. Purchasing is independent, yet consolidated under one master program.

HOW TO DETERMINE PRICING LEVELS

Select License Agreements work for companies of many sizes, largely due to their flexibility. One agreement and the enrollments associated with it can cover many sites around the world, so a company can aggregate purchasing to achieve the best volume discount. Pricing levels are determined by forecasting your purchase levels and a system of product pools and points. These are explained below.

FORECASTING

With Select License you need to forecast, which is based on your best estimate of the total number of points per product pool you think you will reasonably purchase during a three-year period.

A forecast of 1,500 points for each product pool over a three-year agreement term during a three-year agreement term is required to qualify for the minimum volume price level. There are four price levels. The points for each price level are listed below.

Price Level	Point Minimums for a 3-year Forecast Per Pool
A	1,500
B	12,000
C	30,000
D	75,000

POOLS AND POINTS

Select License uses pools and points to calculate discounts.

With product pools, you can combine a variety of similar Microsoft software licenses to achieve higher volume discounts. Software products are categorized into three distinct product pools: applications, systems, and servers.

Examples of software products in each pool are:

- **Applications pool:** Microsoft Office, Microsoft Office Excel[®] spreadsheet software, and Microsoft Office Project.
- **Systems pool:** Windows desktop PC operating system upgrade such as Windows Vista.
- **Server pool:** Windows Server and associated Client Access Licenses (CALs).

To calculate points, you need to know that each software product carries a point value. For example, Microsoft Office Professional is 2 points, and Windows Server Standard is 15 points. Your price level for each pool is based on product points that you forecast during the term of your agreement. The points you forecast apply to all enrollments under the agreement.

Three options are available to acquire points for each product pool:

- Acquire new licenses.
- Acquire License and Software Assurance.
- Acquire Software Assurance alone for software products already covered with Licenses and Software Assurance from a previous order, or where Software Assurance is purchased based on the eligibility rules.

PRICE LEVEL ADJUSTMENTS

An annual price level adjustment is part of the Select License Agreement. Price levels for each product pool may be increased, decreased, or remain the same depending on actual purchases after the first year. If points totaling one-third or two-thirds of a higher pricing level at the 12-month and 24-month checks are acquired for any given product pool, Microsoft adjusts the price level for those product pools upward. As a result, orders for software licenses in the product pools with adjusted price levels cost less. If total points acquired per product pool are fewer than the milestone quantity of the three-year forecast, the price level is adjusted downward (meaning your future license acquisitions will cost more).

The following table shows the minimum points required for each price level throughout the three-year forecasted term.

Price Level	End of Year 1	End of Year 2	End of Year 3
A	500	1,000	1,500
B	4,000	8,000	12,000
C	10,000	20,000	30,000
D	25,000	50,000	75,000

Software Assurance

Microsoft Software Assurance is a comprehensive offering that helps you extend the value of your software investment. More than just maintenance, Software Assurance combines a broad range of benefits into one program to help organizations deploy, manage, and migrate software.

Software Assurance is always purchased for the term or remaining term of the agreement. For example, if you were to purchase Software Assurance at the inception of the agreement, you would be paying for three full years and receive coverage for the entire length of the agreement. If you were to purchase Software Assurance in the third month of the agreement, you would receive 33 months of coverage since Software Assurance expires at the end of the Select License term. It may be renewed either through a one-time renewal of the existing Select License Agreement or at the signing of a new Select License Agreement.

Software Assurance may also be purchased as a stand-alone enrollment for:

- Systems or server software product licenses that are purchased either through retail full packaged product (FPP) or from an original equipment manufacturer (OEM) within 90 days of purchase of the license(s).
- For Microsoft Office 2007 suites or newer version licenses purchased through an OEM within 90 days of the purchase of the OEM license(s).

To ensure that upgrade protection remains uninterrupted through Software Assurance, simply re-enroll all Software Assurance-covered software products when renewing an existing agreement, or by signing a new Select License Agreement within 30 days of the previous Select License Agreement expiration.

If Software Assurance coverage lapses, new License and Software Assurance purchases are required before Software Assurance may be acquired again.

Jump to the [Software Assurance section](#) of this guide or learn more about Software Assurance at <http://www.microsoft.com/licensing/sa/default.mspx>.

Managing Select License Agreements

MICROSOFT VOLUME LICENSING SERVICE CENTER

The online Volume Licensing Service Center (VLSC) tool provides convenient online solutions for Volume Licensing customers to easily manage licensing agreements and products. The VLSC is a password-protected Web site for viewing your license agreements and purchases and calculating current Microsoft License statements for an easy-to-understand license summary. You can also view and request VLKs, download licensed products available under your Volume Licensing entitlements, activate and use your Software Assurance benefits, and manage access rights for internal staff and Software Assurance administrators.

For more information, visit <https://www.microsoft.com/licensing/servicecenter/>.

When you enter into your Microsoft Volume Licensing agreement, the contact person you designate receives an invitation and directions for accessing the tool.

Microsoft Select Plus Gives Even More Value from Software Licensing

Microsoft Select Plus was introduced in 2008. Based on customer research, Select Plus is designed for large organizations with multiple affiliates that want to purchase software licenses and services at any business unit level while still getting the advantages of being a single organization.

The Select Plus program offers many benefits that help you to realize the value of your software investments, including:

- **Superior value.** A single, enterprise-wide contract offers the same pricing level for all business units.
- **Excellent benefits.** Add Microsoft Software Assurance to your agreement for a full 36 months and receive an annual payment plan.
- **Perpetual agreement.** Keep renewals at the IT budget level rather than the boardroom level.
- **Flexible structure.** Purchase the software licenses you need, when you need them, so that you can start using the software immediately.
- **Better insight.** Clearly see your entire license portfolio so it's easy to support asset management and reporting for all business units.

AGREEMENT STRUCTURE

The structure of the Select Plus Agreement consists of three components: a Microsoft Business and Services Agreement (MBSA), the Select Plus Agreement, and a Select Plus affiliate registration form (if needed).

1. A Microsoft Business and Services Agreement (MBSA) is required. This is a master agreement that defines contract terms common to Microsoft licensing, service, and support agreements and needs to be signed only once with or prior to the Select License Agreement.
2. The Select Plus agreement enrolls your organization in the Volume Licensing program so that you can purchase product licenses and services at volume discount prices.
3. The Select Plus affiliate registration form identifies buying affiliates within your organization and enrolls them in the program. As a result, they can acquire software licenses and services under the Select Plus agreement.

The purpose of this agreement structure is to provide greater flexibility for enrolled affiliates located in different countries and regions. Purchasing is independent, yet consolidated under one master program.

HOW TO DETERMINE PRICING LEVELS

Like Select License, Select Plus categorizes software products into three distinct product pools: applications, systems, and servers. With Select Plus, a unique customer ID is established with the public customer number (PCN) of an organization's lead affiliate. The PCN is associated with the PCNs of any number of affiliates, linking them to the same agreement. This framework is used to calculate price levels based on the organization's volume purchases and helps streamline

purchasing. The price level for each pool is based on product points that you earn for automatic tiered discount levels. For each product pool, your first Select Plus order must meet a minimum of 500 points to begin purchasing in that pool.

There are four price levels. The points for each price level are listed below.

Price Level	Point Minimums for a 3-year Forecast Per Pool
A	500
B	4,000
C	10,000
D	25,000

POOLS AND POINTS

Each software product carries a point value. For example, Office Professional 2007 is worth 2 points, Microsoft Online Services Subscription is 1 point, and Windows Server Standard 2003 is 15 points. The Software Assurance component of License and Software Assurance is worth half the total point value of its accompanying license annually. For example, if Office Professional 2007 is worth 2 points, Software Assurance is worth 1 point for each year it is maintained during the term of the Select Plus agreement for a total of 3 points during the three-year term of the agreement.

You can acquire points for each product pool with these three options:

- Acquire new Licenses.
- Acquire License and Software Assurance.
- Renew Software Assurance for products already covered with Licenses and Software Assurance from a previous order or where Software Assurance is purchased based on the eligibility rules.

Your organization will automatically move to a lower price level whenever one of these events occurs:

- You increase the amount you spend through your Select Plus agreement and purchase enough points to take you to the next price level.
- You associate your Select Plus agreement with an existing commercial or government Enterprise Agreement or Select License agreement that has a lower price level.³

³ Academic customers may also associate a Campus Agreement or School Agreement with a Select Plus agreement.

PRICE LEVEL ADJUSTMENTS

If your Select Plus agreement is associated with an active Enterprise Agreement or Campus and School Agreement, you do not need to comply with annual point minimums. However, if your Select Plus agreement has been associated with a Select License Agreement to set the initial price level, you must meet the point minimums for each subsequent annual compliance check.

Your initial order, which can be submitted by a registered affiliate, qualifies your organization for the corresponding price level. Once you are qualified for a price level, you can purchase at that level for the remainder of the year or until you qualify for the next price level through increased purchase volume. You will attain the next price level for a pool as soon as your organization meets the corresponding point minimum. Price levels for each product pool are reviewed every year on the agreement anniversary date. This price level adjustment is not applicable for customers that are eligible for government or academic pricing.

You achieve the higher discount price level as soon as your organization meets the corresponding annual point minimums per pool. Purchases made on your Select Plus agreement by registered affiliates are aggregated and continuously factored into point minimums per pool to achieve the most beneficial price level.

If you purchase below the annual point minimums in a product pool during any given year, your organization's price level drops one level down for that pool the following year. You can only descend one level each year.

If you are at Level A and purchase fewer than 500 annual points in a product pool for a given year, your account will be put on hold for that pool until you reach the 500 point level again. An order for the minimum annual points automatically reactivates the product pool, with no need to sign new forms or renegotiate the agreement terms.

Software Assurance

Microsoft Software Assurance is a comprehensive offering that helps you extend the value of your software investment. More than just maintenance, Software Assurance combines a broad range of benefits into one program to help organizations deploy, manage, and migrate software.

With Select Plus, you have the option to include Software Assurance with your software purchases. And with Select Plus, we have eliminated proration based on purchase timing. As a result, you get a full 36 months of Software Assurance no

matter when you purchase. To extend existing Software Assurance, you simply place a renewal order within 30 days of the expiring Software Assurance term.

Because Select Plus is an ongoing agreement that does not expire, Software Assurance may be renewed through the existing agreement. When renewing multiple Software Assurance agreements that were purchased through Select Plus at different times, the coverage period is adjusted to a common date, and the prices prorated to reflect the coverage period, in order to simplify renewals and facilitate annual budgeting cycles.

Jump to the [Software Assurance section](#) of this guide or learn more about Software Assurance at <http://www.microsoft.com/licensing/sa/default.aspx>.

Managing Select Plus Agreements

MICROSOFT VOLUME LICENSING SERVICE CENTER

The online Volume Licensing Service Center (VLSC) tool provides convenient online solutions for Volume Licensing customers to easily manage licensing agreements and products. The VLSC is a password-protected Web site for viewing your license agreements and purchases and calculating current Microsoft License statements for an easy-to-understand license summary. You can also view and request VLKs, download licensed products available under your Volume Licensing entitlements, activate and use your Software Assurance benefits, and manage access rights for internal staff and Software Assurance administrators.

For more information, visit <https://www.microsoft.com/licensing/servicecenter/>.

When you enter into your Microsoft Volume Licensing agreement, the contact person you designate receives an invitation and directions for accessing the tool.

Microsoft Enterprise Agreement Is for Larger Organizations that Want to Standardize Their IT

Enterprise Agreements are for large organizations that want to license a set of products on 100 percent of their qualified desktop PCs for a three-year period.

The Enterprise Agreement (EA) is a premier option for large organizations that want to implement enterprisewide standards on qualified desktop PCs. An EA can provide a framework for making software license acquisitions and management easier. This cost-effective way to acquire the latest Microsoft technology helps your business

Tip...

Subscribing to software license coverage through the Enterprise Agreement Subscription potentially can provide financial benefits, because it can be treated as an operational expenditure, which may provide tax savings.

standardize IT across the enterprise, simplifies license management, and provides maintenance benefits to help ensure that your company is more productive.

- **Minimize cost:** With steep volume discounts for enterprise products, an EA provides rights to the latest Microsoft enterprise software products and includes Software Assurance.
- **Maximize value:** Streamline management with predictable, fixed pricing for enterprise products based on the initial number of desktop PCs enrolled.
- **Flexible growth.** Additional products are available such as Microsoft Office Visio, Microsoft Office Project, Windows Server, and Exchange Server.

Microsoft currently offers two such agreements, the Enterprise Agreement and the Enterprise Subscription Agreement. The Enterprise Subscription Agreement is similar to the EA and offers many of the same benefits. The difference is that because the Enterprise Subscription Agreement is a subscription-based license model, licenses are non-perpetual.

EAs offer the biggest discounts for enterprise products and some advantages for license management. For example, you can eliminate having to count individual licenses and just count the number of desktop PCs. You also only need to place one order annually.

In addition to the enterprise products, you can also license additional software products with the EA under the terms of your original agreement to help you respond rapidly to changing business needs while keeping costs predictable.

ENTERPRISE PRODUCTS

The EA applies to a select group of desktop PC and enterprise platform products. The Enterprise Agreement has two full desktop platform offerings; the Professional Desktop and the Enterprise Desktop.

The enterprise products included in the Professional Desktop Full Platform are:

- Windows Vista Enterprise Edition upgrade
- Microsoft Office Professional Plus 2007
- Microsoft Core Client Access License (CAL) Suite

The enterprise products included in the Enterprise Desktop are:

- Windows Vista Enterprise Edition upgrade
- Microsoft Office Enterprise 2007

- Microsoft Enterprise CAL Suite

Microsoft also offers a Component EA that customers can use to license one or two of the three components listed above. New customers who enroll in a Component EA receive a 15 percent discount off of the price they would have paid when licensing through a Select License Agreement.

New customers who enroll in the full Professional or Enterprise Platform (the Windows Vista Enterprise Edition operating system upgrade, Microsoft Office Professional Plus 2007 and/or Office Enterprise 2007, and Core CAL Suite or Enterprise CAL Suite) potentially receive an additional 15 percent platform discount on top of their already discounted enterprise software product for eligible organizations.

ADDITIONAL PRODUCTS

A broad selection of software titles is available as additional products. They provide the same License and Software Assurance coverage as enterprise products, but do not require an enterprisewide commitment. For products licensed at signing, payments can be spread throughout three years in the same way that enterprise product payments are annualized.

Spreading the cost of software licenses throughout three years can help organizations to refocus critical IT budget and provide predictability for budgeting purposes. Also, additional products included at signing have corresponding pricing for using the True Up ordering process, which provides for consolidated annual ordering.

Examples of software products available as additional products include Office Visio, Office Project, Windows Server, and Exchange Server. A complete list of additional products is available on the Microsoft Product List at <http://www.microsoftvolumelicensing.com/userights/PL.aspx>.

AGREEMENT STRUCTURE AND DETAILS

The structure of the Enterprise Agreement consists of three components: the a Microsoft Business and Services Agreement (MBSA), Enterprise Agreement, and an Enterprise Agreement enrollment.

1. A 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 MBSA needs to be signed only once with or prior to the Enterprise Agreement.

2. The Enterprise Agreement defines the terms for enterprise and additional product license acquisitions, subsequent orders, True Ups, and perpetual use rights.
3. The Enterprise Agreement enrollment establishes the basic information that your 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 Software Advisor (or Large Account Reseller, where applicable).

The purpose of this agreement structure is to provide greater flexibility for enrolled affiliates located in different countries and regions. Purchasing is independent, yet consolidated under one master program.

TERMS

Each Enterprise Agreement enrollment has a three-year term providing you with a defined amount of time that the terms and prices of your purchasing relationship with Microsoft remain consistent for all products covered in the initial order. This gives you the ability to 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 has the option for either a one- or three-year renewal term.

EXTENDED PAYMENT TERMS

Introducing Extended Payment Terms—a new initiative from Microsoft that offers you a more flexible way to pay for your Enterprise Agreement. Monthly, quarterly, bi-annual, or customized payment options are available. Extended Payment Terms are automatically offered to all corporate Enterprise Agreement customers (subject to credit approval).

Benefits of Extended Payment Terms

- **Flexibility and choice:** You benefit from more flexible payment terms (monthly, quarterly, bi-annual, or customized) without having a specific arrangement with Microsoft.
- **Quick and simple:** Extended Payment Terms are activated through a simple and short amendment to your existing EA.
- **Ease of access:** Because the Extended Payment Terms option is embedded into the EA, you can choose from a range of payment terms according to your needs when you buy.
- **Expand your IT wallet:** Payments can be structured to fit within your budget cycles, so you can afford a more comprehensive solution today and pay for it across time.

ANNUAL PRICE PER DESKTOP PC

The annual price per desktop PC feature of the Enterprise Agreement provides a predictable fixed price that you can use to forecast desktop PC technology costs up to three years in advance. A payment (based on the pre-established price per desktop PC and initial order) is due each year at the anniversary date of your Enterprise Agreement enrollment. The predetermined price paid for software licenses covered in your initial order protects you from unanticipated price increases, making it easier to stay within your software license budget.

TRUE UP

During the time you are enrolled in the Enterprise Agreement, it is likely that your business will grow and you will add desktop PCs. When you add desktop PCs, they immediately get the same license coverage as the desktop PCs enrolled at the beginning of the enrollment term. You just report added desktop PCs through an annual process called a “True Up” order.

True Up orders consolidate orders for additional software licenses deployed during the year under one order annually (including the third year before any renewal). Customers have the additional option of truing 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 there are no desktop PCs added during the year, an update statement is reported to alert Microsoft not to expect a True Up order.

STEP UP

It is possible to migrate from Standard Edition software products to Professional or Enterprise Edition software products while maintaining Software Assurance coverage on a given product. The Step Up License is available to make it easier to upgrade to a later product edition without incurring the full cost of licensing two separate editions of software products.

For further details, please reference the *Enterprise Agreement Program Guide* at <http://www.microsoft.com/licensing/programs/ent/default.mspx>.

How to Determine Pricing Levels

The total quantity of initial qualified desktop PCs when you enroll in the EA determines the price level of your enterprise products and any additional products that you license under the corresponding product pool.

Qualified desktop PCs are the personal desktop computers, portable computers, workstations, and similar devices that are used by or for the benefit of an enrolled affiliate (including affiliates in the enterprise) and meet the minimum requirements for running any of the enterprise products included in your agreement.

Qualified desktop PCs do not include any computers dedicated to run only line-of-business (LOB) software or any system running an embedded operating system (such as Windows 9.X embedded or Windows XP embedded).

As part of your enrollment, you are responsible for reporting the number of qualified desktop PCs in your organization. This number is the quantity you indicate on the initial order at signing, along with any additional desktop PCs added throughout the term of your enrollment, which would be covered by submitting the annual True Up order. (For an explanation of True Up, see the preceding section.)

The user count may be different than the quantity of desktop PCs, but the price level is determined by the desktop PC count. For example, a customer may have 500 desktop PCs and 400 users. The price level would be A for both, but the product order would indicate 500 for the Windows or Microsoft Office product, and 400 users for the User CAL purchases.

Customers who sign an Enterprise Agreement enrollment are referred to as an "Enrolled Affiliate." An enrollment is a standard option giving global companies greater flexibility in defining their enterprise. Each enterprise must consist of entire legal entities, not partial entities such as departments, divisions, or business units. Each affiliate must be entirely "in" or entirely "out."

For commercial business pricing, there are four price levels for each of the enterprise products.

Price Level	Desktop PCs
A	250-2,399
B	2,400-5,999
C	6,000-14,999

D | 15,000 or more

Software Assurance

The EA includes Microsoft Software Assurance for Volume Licensing, a comprehensive offering that helps you extend the value of your software investment. More than just maintenance, Software Assurance is a complete solution that delivers both software and services to bring more value to your business. Software Assurance combines a broad range of benefits into one program to help organizations deploy, manage, and migrate software.

Below are the Software Assurance benefits throughout each phase of the software life cycle. Note: Several benefits provide value at multiple phases in the software life cycle.

Stage	Benefits
Plan	<ul style="list-style-type: none"> New version rights Step Up License Availability Spread payments
Deploy	Packaged Services <ul style="list-style-type: none"> • Desktop Deployment Planning Services • SharePoint® Deployment Planning Services • Exchange Deployment Planning Services • Business Value Planning Services
Use	<ul style="list-style-type: none"> Training Vouchers E-Learning Home Use Program Office Multi-Language Pack Windows Vista Enterprise Microsoft Desktop Optimization Pack Employee Purchase Program (EPP) Enterprise Source Licensing Program
Maintain	<ul style="list-style-type: none"> 24x7 Problem Resolution Support TechNet Benefits for Software Assurance “Cold” Backups for Disaster Recovery
Transition	<ul style="list-style-type: none"> Extended Hotfix Support Windows Fundamentals for Legacy PCs

Jump to the [Software Assurance section](#) of this guide or learn more about Software Assurance at <http://www.microsoft.com/licensing/sa/default.aspx>.

Managing Enterprise Agreements

MICROSOFT VOLUME LICENSING SERVICE CENTER

The online Volume Licensing Service Center (VLSC) tool provides convenient online solutions for Volume Licensing customers to easily manage licensing agreements and products. The VLSC is a password-protected Web site for viewing your license agreements and purchases and calculating current Microsoft License Statements for an easy-to-understand license summary. You can also use the site to view and request VLKs, download licensed products available under your Volume Licensing entitlements, activate and use your Software Assurance benefits. And with the VLSC, you can manage your access rights for internal staff and Software Assurance administrators.

For more information, visit <https://www.microsoft.com/licensing/servicecenter/>.

When you enter into your Microsoft Volume Licensing agreement, the contact person you designate receives an invitation and directions for accessing the tool.

Comparing Volume Licensing Programs

For an overview of the Volume Licensing programs available to commercial businesses, view the following comparison chart.

	Open License	Open Value	Open Value Subscription	Select License	Select Plus	Enterprise Agreement	Enterprise Subscription Agreement
Number of desktop PCs	5 or more	5 or more		Any; 150 or more desktop PCs recommended	Any; price levels start at 500 points per pool	250 or more	
Licensing offerings	License, License and Software Assurance, and Software Assurance for renewals or eligible OEM ¹ and FPP ² purchases	License and Software Assurance and Software Assurance renewals		License, License and Software Assurance, and Software Assurance for renewals or eligible OEM ¹ and FPP ² purchases	License, License and Software Assurance, and Software Assurance for renewals or eligible OEM ¹ and FPP ² purchases	License and Software Assurance and Software Assurance renewals	License and Software Assurance
Pricing	Based on desktop PCs and/or License and Software Assurance orders			Based on forecast	Automatic tiered pricing based on product pools	Based on desktop PCs	
Agreement term	Two years, not renewable	Three years, renewable			Agreement never expires	Three years, renewable	
Payment options	Up-front payment	Annual payments or up-front		Annual payments			
How to buy	A broad reseller channel			Microsoft Authorized Large Account Resellers only		Direct relationship with Microsoft, supported by Authorized Enterprise Software Advisors	
Product fulfillment	Acquired separately	Provided with initial order; additional media must be obtained separately at a cost				Provided with initial order; updates are provided throughout the agreement term	
Software Assurance	Option to add	Included		Option to add		Included	
Online Services³	Not offered	?	Offered				

¹ Original equipment manufacturer (OEM)

² Full-packaged product (FPP)

³ Online Services refer to applications hosted at Microsoft Data Centers with client bits that may or may not be installed locally. They are priced monthly and billed annually for the term of the agreement.

Taking the Next Step

1. Microsoft License Advisor (<http://www.microsoft.com/licensing/mlahome.aspx>) can help you prepare your licensing plan. This online tool provides Volume Licensing program comparisons and guidance, simplifies Microsoft product selection through a series of questions, and produces a downloadable report and estimated retail price (ERP) or recommended retail price (RRP) quote.
2. Volume Licensing experts, including Microsoft representatives and partners or an authorized reseller near you, can provide guidance and insight about how to acquire or renew Microsoft Volume Licenses.

UNITED STATES AND CANADA

- Find a reseller online at <https://solutionfinder.microsoft.com/>.
- Call toll-free, (800) 426-9400 in the United States or (877) 568-2495 in Canada.

WORLDWIDE

- Find Volume Licensing contacts for your country or region at <http://www.microsoft.com/licensing/index/worldwide.aspx>.
3. Microsoft Volume Licensing Events offer an inside look at future Microsoft technology and an avenue for Volume Licensing customers to provide feedback on licensing strategies, design, pricing, tools, and industry trends. Learn how you can get involved at <http://www.microsoft.com/licensing/events.aspx>.

More Resources

The Volume Licensing Recommendation Tool can help you determine which Volume Licensing program may be right for your organization. You can find it at <http://www.microsoft.com/licensing/decisiontool/>.

The program comparison chart makes it easier to compare the benefits and features of Microsoft Volume Licensing programs. It is located at <http://download.microsoft.com/download/c/d/0/cd073b33-5dd1-4fce-a8ec-b44ce5242d2b/Volume%20Licensing%20Programs%20Comparison%20Chart.pdf>.

CHAPTER 3: CHOOSING A VOLUME LICENSING PROGRAM FOR YOUR GOVERNMENT ORGANIZATION

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

Microsoft Volume Licensing offers customized programs that can meet the needs of your eligible government organization. Microsoft provides flexible and affordable licensing solutions that are tailored to your organization's size and purchasing preference so that you can find the best program for your organization and manage your licenses with ease.

With Volume Licensing pricing, you can control spending and better serve citizens with solutions built on Microsoft technology. The eligibility requirements depend on your locale.

Worldwide Government Licensing

Eligible government organizations receive special pricing, equivalent to the best price level for each program offered to commercial organizations.

To learn about eligibility for government organizations worldwide, contact your local Microsoft subsidiary and review the eligibility definitions for your region. You also can review the eligibility requirements at <http://www.microsoft.com/licensing/programs/gov/default.mspx>.

United States Government Licensing

In the United States, Volume Licensing programs are available for state, local, regional, and federal government agencies.

In this chapter...

- Worldwide Government Licensing
- United States Government Licensing
- Home Use Program
- Choosing the Right Option
- Comparing Volume Licensing Programs
- Tools and Services
- More Resources

Tip...

To learn more about the agreement terms, products, and other program details, visit the Microsoft Volume Licensing Web site: <http://www.microsoft.com/licensing/>.

U.S. FEDERAL CIVILIAN AGENCIES

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

It is likely that your agency has a Microsoft Volume Licensing agreement—such as a Microsoft Enterprise Agreement—in place with one of the Microsoft Authorized Government Resellers, and that you can license software directly from the designated reseller. You can find a list of authorized resellers at <http://www.microsoft.com/industry/government/federal/howtobuy/civilian.mspx>.

To learn more about programs for U.S. federal government departments and agencies, visit

<http://www.microsoft.com/industry/government/federal/howtobuy/default.mspx>.

STATE, LOCAL, AND REGIONAL ORGANIZATIONS

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

With the variety of agreement types offered by Microsoft Volume Licensing, you can tailor your choice to the size and purchasing preference of your organization. Below are your options for eligible government organizations.

- **Microsoft Enterprise Agreement.** If your state has a Microsoft Enterprise Agreement, your agency can save up to 25 percent compared to other licensing programs. You only need 250 desktop PCs to qualify. Enterprise Subscription Agreement has the same benefits with subscription-based licensing.
- **Microsoft Select Plus.** Consider a Select Plus Agreement to complement an existing Enterprise Agreement for department-level license acquisition.
- **Microsoft Select License.** State-level Select License Agreements offer another discounted purchasing option for government agencies in many states. With Select License, you can choose from a wide range of Microsoft software products for your agency at volume discounts.

- **Microsoft Open License for Government.** The Open License for Government program provides simple and flexible pricing during a two-year period. It is a good option for government organizations that desire easy, one-time transactions for small quantities of software licenses.
- **Microsoft Open Value for Government.** Open Value for Government is for small to midsize organizations that want simplified license management, predictable software costs, better control over your 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.

Licensing Choices Save Canadian Province \$3.5 Million Over Three Years

To achieve self-sufficiency and maintain high-quality services for its citizens, the Government of New Brunswick (GNB), Canada, wanted to reduce IT costs and improve operational efficiency.

Toward that end, GNB evaluated the Microsoft Volume Licensing programs and decided that a Microsoft Enterprise Agreement would best serve its needs because it included predictable software license costs and Software Assurance benefits to help standardize technology across the organization.

Danny Keizer, Chief Information Officer, Government of New Brunswick, says, “We calculated that we spent approximately \$5.7 million on Microsoft software licenses for a three-year period; those same licenses would have cost \$7.8 million without a Volume Licensing agreement.”

To read the full story, visit:

<http://www.microsoft.com/casestudies/casestudy.aspx?casestudyid=4000000055>.

To learn about programs for state, local, and regional government agencies, visit <http://www.microsoft.com/industry/government/howtobuy/state/default.aspx>.

Home Use Program for Government Employees

Many government employees are entitled to use Microsoft Office System software on their home computer as part of the Microsoft Home Use Program (HUP). The Home Use Program is a benefit of Microsoft Software Assurance, a comprehensive maintenance that includes access to the latest software upgrades, partner services, training, and IT tools.

Choosing the Right Option

Microsoft Volume Licensing offers a variety of programs that can be tailored to the size and purchasing preference of your organization.

SMALL TO MIDSIZE GOVERNMENT ORGANIZATIONS

For small to midsize government organizations, three Microsoft Volume Licensing options are available that offer flexibility and are sized right for your organization’s needs and procurement procedures: Open Value for Government, Open Value Subscription for Government, and Open License for Government.

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

Volume Licensing Program	Description
Open Value for Government*	For small to midsize organizations that want to simplify license management, have more control over their IT investment, and better manage their software costs. Open Value includes Microsoft Software Assurance, an enhanced maintenance program with benefits such as downloads of new products, Windows Vista Enterprise operating system, software training, and Microsoft E-Learning. Company (Organization)-Wide option offers additional savings opportunities for your organization when you standardize all your desktop PCs on one or more Microsoft enterprise products.
Open Value Subscription for Government*	Similar to the Company (Organization)-Wide option of Open Value, with the Subscription option you pay a single price per desktop PC to deploy Microsoft technology as the standard across your organization. This option gives your organization the rights to use the software throughout your company or organization only during the one-year or three-year term of the agreement with Microsoft.
Open License for	For small organizations that want an easy, one-time transaction process with

Microsoft Volume Licensing Reference Guide

Government | the flexibility of acquiring licenses from a broad reseller channel.

*Not available in some regions. This may change without notice; contact your reseller to check current availability.

MIDSIZE TO LARGE GOVERNMENT ORGANIZATIONS

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

Volume Licensing Program	Description
Enterprise Agreement for Government	For large organizations that want a cost-effective way to standardize their IT infrastructure and to simplify license management. Enterprise Agreement includes Software Assurance, with additional benefits such as software deployment planning and training.
Enterprise Subscription Agreement for Government	For large organizations with 250 or more desktop PCs that want to subscribe to, rather than purchase, Microsoft software licenses. With an Enterprise Subscription Agreement, you can standardize your enterprise by licensing Microsoft enterprise products at volume pricing based on a three-year agreement term.
Select Plus for Government	Ideal for local or regional governments that want volume licensing pricing with the benefit of a non-expiring agreement. Select Plus is beneficial as an add-on to an Enterprise Agreement for project- or division-level license purchases.
Select License for Government	For government organizations that have mixed software product requirements and prefer to acquire the latest Microsoft technology through a pay-as-you-go licensing model.

Comparing Volume Licensing Programs

For an overview of the Volume Licensing programs available to government organizations, view the following comparison chart.

	Open License for Government	Open Value for Government ⁴	Open Value Subscription for Government ⁴	Select License for Government	Select Plus for Government	Enterprise Agreement for Government	Enterprise Subscription Agreement for Government
Number of desktop PCs	Minimum 5	Minimum 5		Any; 150 or more desktop PCs recommended	Any; price levels start at 500 points per pool	250 or more	
Licensing offerings	License, License and Software Assurance, and Software Assurance for renewals or eligible OEM ¹ and FPP ² purchases	License and Software Assurance and Software Assurance renewals		License, License and Software Assurance, and Software Assurance for renewals or eligible OEM ¹ and FPP ² purchases	License, License and Software Assurance, and Software Assurance for renewals or eligible OEM ¹ and FPP ² purchases	License and Software Assurance and Software Assurance renewals	
Pricing	Based on desktop PCs and License and Software Assurance orders			Based on product pools	Automatic-tiered pricing based on product pools	Based on desktop PCs	
Agreement term	Two years, not renewable	Three years, renewable. One-year option for Open Value Subscription			Agreement never expires	Three years, renewable	
Payment options	Up-front payment	Annual payments or up-front		Annual payments			
How to buy	A broad reseller channel			Microsoft Authorized Large Account Resellers only		Direct relationship with Microsoft, supported by Authorized Enterprise Software Advisors or indirectly through a LAR	
Product fulfillment	Acquired separately	Provided with initial order; additional media must be obtained separately at a cost		Provided with initial order; updates are provided throughout the agreement term			
Software Assurance	Option to add	Included		Option to add		Included	
Online Services³	Not offered	Offered					

¹ Original equipment manufacturer (OEM)

² Full-packaged product (FPP)

³ Online Services refer to applications hosted at Microsoft Data Centers with client bits that may or may not be installed locally. They are priced monthly and billed annually for the term of the agreement.

⁴ Not available in some regions. This may change without notice; contact your reseller to check current availability.

Software Assurance

Microsoft Software Assurance for Volume Licensing is a comprehensive offering that helps you get the most out of your software investment. More than just maintenance, Software Assurance is a complete solution that combines the latest software with problem resolution support, partner services, training, and IT tools that help customers deploy, manage, and migrate software. With Software Assurance, you can increase worker productivity, accelerate organizational performance, and quickly realize a return on your software investment.

You can choose Software Assurance at the time of purchase and begin using your benefits immediately for the term of your license agreement.

Jump to the [Software Assurance section](#) of this guide or learn more about Software Assurance at <http://www.microsoft.com/licensing/sa/default.aspx>.

Taking the Next Step

1. Microsoft License Advisor (<http://www.microsoft.com/licensing/mlahome.aspx>) can help you prepare your licensing plan. This online tool provides Volume Licensing program comparisons and guidance, simplifies Microsoft product selection through a series of questions, and produces a downloadable report and estimated retail price or recommended retail price quote.
2. Volume Licensing experts, including Microsoft representatives and partners or an authorized reseller near you, can provide guidance and insight about how to acquire or renew Microsoft Volume Licenses.

UNITED STATES AND CANADA

- Federal Customers: Find an Authorized Government Reseller online at <http://www.microsoft.com/industry/government/federal/howtobuy/civilian.aspx>.
- Department of Defense Customers: Visit the Enterprise Software Initiative (ESI) Web site to order Department of Defense software licenses for Microsoft software.
- State and Local Customers: To locate the U.S. Microsoft account representative for your organization or to learn more about Microsoft products and solutions, call (800) 342-9224, extension 200.

WORLDWIDE

- Organizations outside of the United States should contact the local Microsoft office at <http://www.microsoft.com/worldwide/>.
3. Microsoft Volume Licensing Events offer an inside look at future Microsoft technology and an avenue for Volume Licensing customers to provide feedback on licensing strategies, design, pricing, tools, and industry trends. Learn how you can get involved at <http://www.microsoft.com/licensing/events.mspix>.

More Resources

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

Learn about Microsoft programs for government organizations. Visit the Microsoft in Government Web site at <http://www.microsoft.com/government/>.

Discover more about what Volume Licensing can do for your organization at <http://www.microsoft.com/licensing/>.

Review a list of the products that are available under Microsoft Volume Licensing at <http://www.microsoft.com/licensing/userights/>.

View the government eligibility requirements at <http://www.microsoftvolumelicensing.com/userights/DocumentSearch.aspx?Mode=3&DocumentTypeId=6>.

CHAPTER 4: CHOOSING A VOLUME LICENSING PROGRAM FOR YOUR CHARITABLE ORGANIZATION

These programs are for eligible charitable organizations that want to acquire five or more licenses.

Transactional Licensing

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

Microsoft has one transactional Volume Licensing program for charity customers: Microsoft Open License for Charities.

OPEN LICENSE FOR CHARITIES

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

Open License for Charities simplifies purchasing licenses, making it easier for you to get what you want when you need it. Yet the program still gives you the flexibility to adjust your technology solutions to meet your organization's future needs.

In geographies where a software donations program is available, the Open License for Charities program can be considered as a supplementary program to the Donations Program. Charitable organizations eligible for free software through the donations program can purchase software licenses at discounted prices through the Open License for Charities program.

This easy, user-friendly licensing program includes benefits such as:

- **Simplicity.** The program is 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. You can choose from a wide selection of licensed

In this chapter...

- Transactional Licensing
- Open License for Charities
- How to Acquire Charity Discounts
- More Resources

products. After an initial order of five or more licenses, you can reorder as few as one license, so you order only what you need.

- **Availability.** You can acquire Microsoft products through Open License for Charities from any approved Volume Licensing reseller.
- **Compliance.** With the VLSC, you receive license confirmation information electronically and you can quickly and easily view your license purchase history—so you never have a question about which licenses you own.

How to Acquire Charity Discounts

Eligible charity organizations receive special pricing for Open License for Charities, usually equivalent to the lowest Open License price. To buy product licenses at the reduced volume license prices, and to see if Open License for Charities is available in your region, contact your Microsoft subsidiary or software reseller.

To acquire product licenses through Open License for Charities, your organization must qualify as a charitable organization. Your reseller can help you determine if Open License for Charities is available in your region and if you qualify.

Download the list of Open License for Charities resellers. The document is available under Downloads at the Open License for Charities Web page at <http://www.microsoft.com/education/eOpen.mspx>.

More Resources

Use these resources to learn more about Microsoft Volume Licensing for Charities:

Review the eligibility requirements for Open License for Charities at <http://www.microsoftvolumelicensing.com/userights/DocumentSearch.aspx?Mode=3&DocumentTypeId=19>.

Discover more about what Volume Licensing can do for your organization at <http://www.microsoft.com/licensing/>.

Learn how to request a software donation for your charitable organization; see the NGO Connection section at <http://www.microsoft.com/about/corporatecitizenship/default.mspx>.

CHAPTER 5: CHOOSING A VOLUME LICENSING PROGRAM FOR YOUR 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 in quantity and managing software across multiple computers, Volume Licensing programs are an effective way to reduce the total cost of software ownership.

Microsoft offers both “transactional” and “subscription” Volume Licensing programs for education customers.

In this chapter...

- Transactional Licensing
- Subscription Licensing
- How to Acquire Academic Discounts
- Tools and Services
- More Resources

Transactional Licensing

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

Microsoft has two transactional Volume Licensing programs for education customers: Microsoft Open License for Academic and Microsoft Select License for Academic.

OPEN LICENSE FOR ACADEMIC

Open License for Academic is a widely accessible and cost-effective way for education institutions of all sizes that want a simple transactional process to license Microsoft software, starting with as few as five licenses.

You simply determine the number of software licenses your institution wants to acquire and place the order with an Authorized Education Reseller (AER). After obtaining your licenses, you can order media from a Microsoft approved fulfillment source, eliminating bulky boxes and the associated expense. License confirmations are distributed electronically and posted on a secure site on the Internet.

This easy, user-friendly licensing program includes benefits such as:

- **Flexibility.** Get exactly what your institution needs—as many or as few licenses as you want. This program also gives you an expansive choice of

some of the best Microsoft software products. In addition, you can begin with an order of only five licenses; then you can order as few as one license at a time at your convenience.

- **Availability.** With Open License for Academic, getting your preferred Microsoft software is as easy as finding an Authorized Education Reseller.
- **Compliance.** Quickly and easily view your license purchase history by using VLSC. Open License for Academic provides you with simple tools, so you always know exactly what licenses you currently own.

SELECT LICENSE FOR ACADEMIC

Select License for Academic provides Volume Licensing for medium and large institutions, with approximately 250 or more PCs, that forecast their volume licensing needs during a three-year period. Enrolled institutions receive a volume price level for each pool of products selected (applications, systems, servers). Each product within Select License for Academic has a point value assigned that an institution can use to establish a discounted price level by meeting a minimum forecast of license acquisitions. Enrollees receive a complimentary CD kit subscription containing the products the agreement covers. Participating institutions may immediately reproduce and use these products based on the licenses acquired.

Enrollees can also add Software Assurance to individual license purchases, or select Software Assurance Membership (SAM) for an entire pool of products. Savings can also be passed on to students by enrolling in the Student Select program. Select License for Academic is available through an Authorized Education Large Account Reseller (LAR).

This extensive Volume Licensing program includes benefits such as:

- **Convenient licensing.** Select License for Academic uses a simple monthly transaction model that regularly confirms your new licenses, so you always know what you have.
- **Easy to understand and follow.** You can easily pay for and receive software licenses and the benefits of Software Assurance when it is convenient for you and your institution.
- **Software for training purposes.** Choose from a selection of Microsoft software—up to 20 copies—for evaluating and training your institution's staff and students.

- **Investment value.** With the benefits of Software Assurance, you can be current with Microsoft technology, receive product upgrades released during your agreement term, and participate in Microsoft E-Learning courses.

Select License for Academic also offers a student option. The Student Select program gives you the option of purchasing licenses and media for a limited selection of products and transferring them to your students. These orders are placed using a special Student Select Enrollment under the Academic Select License Agreement.

SELECT PLUS FOR ACADEMIC

Driven by customer research, Select Plus for Academic is for midsize and large education customers or aggregate groups (such as educational consortia) that want to purchase their software licenses and services at any affiliate level—such as a site or department—while realizing advantages as one institution.

Helping your institution get the most value from your software investment, Select Plus for Academic benefits include the following:

- **Accessible, flexible purchasing.**
Select Plus for Academic uses a single, institution-wide agreement that supports both centralized and decentralized purchasing of licensed products on an as-needed basis. Like the Campus and School Agreement, the Select Plus for Academic agreement has no specific end date and simplifies budgeting for short- and long-term IT needs.
- **Better manageability.**
With Select Plus for Academic, you have far fewer agreements to track and manage. Because all affiliate purchases are tied to their own unique customer IDs, you have a clear view of your entire license and software asset portfolio—in either a comprehensive report containing all affiliates or an individual report with the ability to drill down into a specific affiliate.
- **Better returns with Software Assurance.**
Select Plus for Academic helps you maximize your return on investment (ROI) by giving you the choice of adding a full 36 months of Software Assurance to your licenses purchased—without proration or regard to purchase timing.

Subscription Licensing

Tip...

The most recent update of Campus Agreement and School Agreement included some important and beneficial enhancements based on customer feedback. You can learn more at: <http://www.microsoft.com/licensing/programs/education/campusandschool.mspx>.

With subscription licensing programs, enrolled institutions have the right to run a selection of products, and any upgrades or downgrades of those products, for a designated term. For application, system, and Client Access License (CAL) products, even if the number of computers or users grows, enrollees remain fully licensed throughout their designated term, and only need to report increases on their computers or full-time equivalent (FTE) employees on their annual order.

Microsoft has two subscription licensing programs for education customers:

The **Microsoft Campus Agreement** is for higher education institutions and offers the simplicity of counting people instead of computers.

The **Microsoft School Agreement** is for K–12 schools and preschools and makes it easy to license all of a school's computers by counting them just once per year.

Subscription licensing offers many benefits, including:

- **Easy compliance.** Because all of your computers and users are covered throughout the subscription term based on an annual count of your FTE employees (Campus Agreement) or PCs (School Agreement), it is easy to ensure that your institution is fully licensed for the products you selected.
- **Low administration.** Subscription licensing eliminates the need to track licenses for the selected products on every computer. This is especially helpful for managing software assets in a decentralized environment.
- **Simple budgeting and purchasing.** One annual payment covers all of the products you have selected for the year.
- **Current technology.** With subscription licensing, your licensed users can run the most current version of the software products included in the subscription.
- **Value.** By standardizing on a platform of products, you reduce your total cost of software ownership while increasing productivity and access to current technology. In addition, a Software Assurance Membership is included with your licenses. This provides additional support resources, tools, and E-Learning courses.
- **Student Licensing.** It is easy to provide your students with the software they need. Through the Student Option, you may license your students for use of one or more of the available Campus Agreement or School

Agreement application, system, or CAL products on a personally owned computer or an institution-owned computer designated for a student's exclusive use (a portable computer checked out to a student for the school year, for example).

How to Acquire Academic Discounts

Microsoft Authorized Education Resellers are specially trained and authorized to sell academic edition software products and licenses to qualified educational users.

To find an Authorized Education Reseller in the United States or Canada, please visit the AER Finder tool at

<http://www.microsoft.com/education/aerfind.aspx>. For educational institutions

outside of North America, contact your local Microsoft office or visit your regional Microsoft Licensing Web site. Visit <http://www.microsoft.com/worldwide> to locate your regional Web site.

For an overview of the Volume Licensing programs available to educational institutions, view the following comparison chart.

Long Eaton School Derbyshire, United Kingdom

To keep its “outstanding” rating from the Office for Standards in Education, Children's Services, and Skills (OFSTED), Long Eaton School must maintain an exceptional standard of education for all of its 1,300 students.

To that end, the school keeps its technology current through its Microsoft School Agreement. Alan Richards, Network Manager, Long Eaton School, says, “With the Microsoft School Agreement, we don't have to go back to the governors to bid for more budget each time we want to implement an upgrade. All we do is download the latest version of the software we are licensed to use, and away we go.”

For more information:

<http://www.microsoft.com/casestudies/casestudy.aspx?casestudyid=4000000162>

	Campus Agreement	School Agreement	Open License for Academic	Select License for Academic	Select Plus for Academic
Customer profile	Higher educational institutions looking for a simple, flexible subscription licensing agreement	K-12 schools and districts and preschools looking for a simple, flexible subscription licensing agreement	Academic institutions of any size that want easy, one-time transactions and the flexibility of acquiring licenses in small quantities	Medium-to-large institutions with approximately 250 or more computers and the ability to forecast license acquisitions	Midsized to large organizations that want the pricing advantage of multiple affiliates and a non-expiring agreement
Available products	View the current Microsoft Volume Licensing Product List at http://www.microsoft.com/licensing/userights				
Agreement term	<p>The master Campus and School Agreement has no expiration date.</p> <p>Campus subscription enrollment designates a one- or three-year licensed period.</p> <p>Software orders are placed annually and as needed throughout the year.</p>	<p>The master Campus and School Agreement has no expiration date.</p> <p>School subscription enrollment designates a one- or three-year licensed period.</p> <p>Software orders are placed annually and as needed throughout the year.</p>	Two years from the time of initial order	Three years with the option to renew for one or three additional years	No agreement expiration
Software Assurance benefits	Software Assurance Membership included, which provides product updates and upgrades, Home Use Program, support resources and tools, E-Learning courses, and more	Software Assurance Membership included, which provides product updates and upgrades, Home Use Program, support resources and tools, E-Learning courses, and more	Include Software Assurance with license purchases and receive product upgrades released during the agreement term and E-Learning courses	<p>Include Software Assurance with individual license purchases and receive product upgrades released during the agreement term and E-Learning courses</p> <p>Include Software Assurance Membership on a product pool and receive additional benefits</p>	<p>Option to add 26 months of Software Assurance with no proration</p> <p>Include Software Assurance with individual license purchases and receive product upgrades released during the agreement term and E-Learning courses</p> <p>Include Software Assurance Membership on a product pool and receive additional benefits</p>
Student licensing	Student Option licenses all students to use products on their personal computer	Student Option licenses a specific number of students to use products on their personal computer	Not currently available	Student licenses available through Student Select	Student licenses available through Student Select Plus
How to buy	Through all Authorized Education Resellers	Through all Authorized Education Resellers	Through all Authorized Education Resellers	Through Authorized Education Large Account Resellers	Through Authorized Education Large Account Resellers

Software Assurance

Microsoft Software Assurance is a comprehensive offering that helps you extend the value of your software investment. More than just maintenance, Software Assurance combines a broad range of benefits into one program to help organizations deploy, manage, and migrate software. Depending on the particular Volume Licensing program you choose and the products you license, Software Assurance can provide a variety of additional benefits, such as:

- New Version Rights
- Spread Payments
- Home Use Program
- E-Learning
- Windows Vista Enterprise
- 24x7 Problem Resolution Support
- Cold Back Up for Disaster Recovery

Jump to the [Software Assurance section](#) of this guide or learn more about Software Assurance at <http://www.microsoft.com/licensing/sa/default.aspx>.

Software Assurance benefits can be managed at the Microsoft Volume Licensing Service Center at <https://www.microsoft.com/licensing/servicecenter/>.

Information on how to access the site and activate Software Assurance benefits is sent to the person you designate when completing your licensing agreement.

WORK AT HOME

Educational institutions that have acquired licenses through Microsoft Academic Volume Licensing programs may grant to their faculty and staff the right to use a second copy of a limited selection of products on either a home or portable computer.

Open License for Academic and Select License for Academic Work at Home Licenses

For each copy of Microsoft Office you license, the primary user of the computer on or from which the product is run may also run a second copy from either a laptop or desktop computer that he or she owns or leases. The software may be used only while the agreement is active.

Campus Agreement and School Agreement Work at Home Licenses

Work at Home licenses for Campus Agreement and School Agreement customers are available for all application, system, and CAL products at no extra cost. These limited rights permit using licensed products on a personally owned computer for work-related purposes only. You can choose to extend these rights to your faculty and staff members only for licensed products for which you have institutional licenses through your Campus Agreement or School Agreement.

MSDN Academic Alliance Membership

The Campus Agreement and School Agreement programs also provide one complimentary membership to the MSDN® Academic Alliance Developer or MSDN AA Designer program (for Campus Agreement customers) or the MSDN AA High School program (for School Agreement customers). MSDN AA gives students and faculty in the technology and design fields access to the latest Microsoft software they need for instruction and learning.

These complimentary memberships are not provided through the Open License for Academic or Select License for Academic programs. To enroll in an MSDN AA program, please visit <http://msdn.microsoft.com/academic/>.

STUDENT LICENSING

All the Microsoft academic licensing programs (except Open License for Academic) offer a way to pass savings on to students.

With the Select License for Academic and Select Plus for Academic programs that offers Student Select, customers can purchase licenses and media for a limited selection of products and transfer them to students. These orders are placed using a special Student Select or Student Select Plus enrollment under the Select License or Select Plus for Academic Agreement.

Campus and School Agreements have a Student Option. With this option, students are licensed to use the selected products on a personally owned computer or an institution-owned computer designated for the student's exclusive use.

Taking the Next Step

1. Microsoft License Advisor (<http://www.microsoft.com/licensing/mlahome.msp>) can help you prepare your licensing plan. This online tool provides Volume Licensing program

comparisons and guidance, simplifies Microsoft product selection through a series of questions, and produces a downloadable report and estimated retail price or recommended retail price quote.

2. Volume Licensing experts, including Microsoft representatives and partners or an authorized reseller near you, can provide guidance and insight about how to acquire or renew Microsoft Volume Licenses.

UNITED STATES AND CANADA

- Find an Authorized Education Reseller online at <http://www.microsoft.com/education/aerfind.aspx>.
- Call toll-free, (800) 426-9400 in the United States or (877) 568-2495 in Canada.

WORLDWIDE

- For educational institutions outside of North America, contact your local Microsoft office, <http://www.microsoft.com/worldwide/>, or visit your regional Microsoft Licensing Web site, <http://www.microsoft.com/licensing/index/worldwide.mspx>.
3. Microsoft Volume Licensing Events offer an inside look at future Microsoft technology and an avenue for Volume Licensing customers to provide feedback on licensing strategies, design, pricing, tools, and industry trends. Learn how you can get involved at <http://www.microsoft.com/licensing/events.mspx>.

More Resources

A variety of Microsoft programs can help educators connect with each other, prepare students for tomorrow's careers, and increase access to technology and training for learners in classrooms, campuses, and the larger community: Here are just a few:

- **Fresh Start Program for Donated Computers.** Schools often receive donated personal computers that lack the appropriate documentation and CDs for the original Windows operating system. This program helps K–12 schools document that their donated computers are properly licensed.

- **Microsoft Faculty Connection.** A resource for technology news, customizable curriculum, free software downloads, and members-only community forums.
- **Microsoft Dynamics Academic Alliance.** Faculty members of the Microsoft Dynamics® Academic Alliance receive classroom software, technical support from product experts, and access to training and education.

CHAPTER 6: MICROSOFT VOLUME LICENSING PROGRAMS FOR SOFTWARE AND SERVICE PARTNERS

These programs are for Independent Software Vendors (ISVs) and Services Providers that want to integrate Microsoft software into their solutions and/or services.

Microsoft offers the Independent Software Vendor Royalty Licensing Program for ISVs interested in integrating Microsoft software products into their solutions. For Services Providers interested in licensing Microsoft products to provide software services to their customers, they can use the Services Provider Licensing Agreement (SPLA) Program. Both of these programs offer enrollees significant benefits, including the tools for offering customized complete solutions, opportunities for cost reduction, and the means for extending sales options.

In this chapter...

- ISV Royalty Licensing Program
- Services Provider Licensing Agreement
- More Resources

What is an ISV?

ISVs are organizations that exclusively develop software or software solutions instead of being part of a computer system or being a hardware manufacturer; and at least 30 percent of the company's overall revenue comes from the sales of licenses of that solution.

What is a Services Provider?

Services Providers offer a variety of services to their customers, including:

- Direct or indirect access to Microsoft licensed products, such as hosted Web sites or (LOB) applications
- Software services that interact with Microsoft licensed products where you, not the end customer, are the licensee
- Facilitating your customer's business, including business transactions with third parties, through software services that interact with Microsoft licensed products
- Access to and use of any application, Microsoft or otherwise, with the application running on a server and interacting with a Microsoft licensed product

ISV Royalty Licensing Program

The Microsoft ISV Royalty Licensing (ISV Royalty Licensing) Program is a worldwide software licensing program for all solutions partner segments. The ISV Royalty Licensing Program offers ISVs a convenient way to license Microsoft products and integrate them into a software business application. ISVs then

replicate the business solution and distribute a fully licensed solution to their users.

The ISV Royalty Licensing Program offers you access to a wide range of Microsoft licensed products. Download the most recent [ISV Royalty Product List](#) (updated quarterly) 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, and online services). The list is available at <http://www.explore.ms/>.

Products include:

- Microsoft® BizTalk® Server
- Microsoft Dynamics® business software
- Microsoft SQL Server® database software
- Microsoft Exchange Server
- Microsoft Office System
- Microsoft Office SharePoint® Server
- Microsoft Office Visio®

PROGRAM ENROLLMENT REQUIREMENTS

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

- **Develop a unified solution.** Develop a value-added unified solution that uses Microsoft licensed products and distribute the unified solution in a tangible medium.
- **Provide technical support.** You are responsible for providing technical product support to your users for the Microsoft licensed products included in the unified solution. You must either acquire five technical product support incidents from Microsoft or from a Microsoft Gold Certified Partner, or you must enroll in the Microsoft Partner Program as a Certified Partner or Gold Certified Partner.

Software Vendor Saves Up to 50 Percent on Costs with the ISV Royalty Licensing Program

Epicor Software Corporation is a Microsoft Gold Certified Partner that has built a global business supplying companies in more than 140 countries with a wide range of solutions for tasks such as supply chain management, professional services automation, enterprise resource planning, retail management, and IT services. To help enhance its offerings, Epicor participates in the Microsoft ISV Royalty Licensing Program, which allows ISVs to embed Microsoft products into unified solutions. An example is Epicor Portal, which incorporates Microsoft software that is fully supported by Epicor. Through participation in the program, Epicor can provide its customers with compelling solutions that allow Epicor to attract greater numbers of new customers and support existing customers.

To read the full story, visit

<http://www.microsoft.com/casestudies/casestudy.aspx?casestudyid=4000002918>.

- **Commit to royalty revenue.** If you have a direct agreement with Microsoft, you must commit to pay a minimum US\$15,000 in royalties through the ISV Royalty Licensing Program during the three-year term of your agreement. If you work through a distributor, no minimum commitment is required.
- **Designate a licensed products distributor (where available).** If you do not have a direct ISV Royalty Agreement with Microsoft, you can work with an authorized ISV Royalty Licensing Program distributor to complete the ISV Royalty License and Distribution Agreement.
- **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, Microsoft Business and Services Agreement/Microsoft Business Agreement (MBSA/MBA), and credit application form (credit form required for direct agreements only). To obtain these documents, send an e-mail message to the ISV Royalty Licensing Program team. If you have an agreement through a distributor (known as an indirect agreement), contact your distributor.

Licensing Offerings

Each Microsoft licensed product offered through the ISV Royalty Licensing Program has an associated set of use rights. The following are the two types of use rights offered:

- **ISV License.** With this default license type, you can integrate Microsoft licensed products and license them as part of your unified solution. In this scenario, your users use the underlying Microsoft licensed products with other applications, as long as the Microsoft licensed products are still licensed for your application.
- **ISV Run-time License.** Some licensed products are offered through the ISV Royalty Licensing Program with additional restricted use rights. In these cases, your users:
 - Can use these applications only with the unified solution with which they were acquired.

- Cannot use the Microsoft licensed products to run any other applications, to develop new applications, or in any other context independent of the unified solution with which the licenses were acquired.

The products that are currently offered with run-time use rights are:

- Microsoft SQL Server
- Microsoft BizTalk Server
- Microsoft Office Communications Server

PRICING AND INVOICING

To find out the royalty price you are charged for each Microsoft licensed product offered through the ISV Royalty Licensing Program, refer to the price list through <http://www.explore.ms/> (ISVs that work with a distributor should check with their distributor). The royalties are determined by the price specified for that licensed product in the price list multiplied by the number of units distributed during the time period.

DELIVERING YOUR SOLUTION

After Microsoft approves your ISV Royalty License and Distribution Agreement, you can begin distributing Microsoft licensed products as outlined in the agreement. Delivery requirements include:

- Distribute Microsoft licensed products as part of a unified solution, not as stand-alone products.
- Do not lease or rent Microsoft licensed products without a separate agreement with Microsoft.
- Integrating Microsoft licensed products with your unified solution must include the entire product, not just a portion of the product. Based on the functionality of your unified solution, certain features might not be used (for example, development tools), but the entire Microsoft licensed product must be integrated.
- The help files contained in the Microsoft licensed product may not be modified, although you are allowed to create technically accurate documentation for the unified solution based on the information contained in the help files. This is to ensure that users receive the complete Microsoft software package and a consistent user experience, no matter where or from whom they acquire the software.

- You may not disable any features so that users receive fully functional licensed products. In addition, disabling certain features might affect other parts of a licensed product that would be detrimental to it. However, you may configure licensed products in accordance with their software documentation.

If you would like to provide your unified solution as hosted software services, you must sign a [Microsoft Services Provider License Agreement](#).

The ISV Royalty Licensing Program allows for worldwide distribution of the unified solution, subject to the United States export laws and subject to certain agreement provisions. Because Microsoft does not control to whom you distribute the unified solution, you are required to have agreements with all third-party business entities to whom you directly provide the unified solution for direct or indirect distribution (and not for sublicense) to users.

PARTICIPATING IN THE ISV ROYALTY LICENSING PROGRAM

After you have enrolled, the following are the key steps for participating in the ISV Royalty Licensing Program:

- Obtain master copies of Microsoft licensed products through Microsoft Worldwide Fulfillment (if you have a direct agreement) or through your distributor (if you have an indirect agreement).
- Integrate the Microsoft licensed products into your software application to create a unified solution.
- Ensure that the required Microsoft license terms are provided to and agreed on by your users.
- Sell and report on licenses for the unified solution distributed to your users.
- Abide by copyright, trademark, and antipiracy obligations. You and your affiliates must abide by the requirements for preventing the piracy of Microsoft licensed products and must comply with trademark and logo use requirements, pass-through copyright, and similar notices.
- Report monthly on software licenses. Submit a monthly royalty report or a zero use report for all licenses that you and your affiliates distributed to your users. If a user generated more than US\$1,000 per month in revenue, you must include that user's name and address.

- Agree to participate in ISV Royalty Licensing Program audits. Microsoft, its designees, or both may review your records and facilities (including data centers) to verify compliance and may conduct on-location audits if needed. Microsoft may conduct this review for up to two years after the agreement ends.
- Comply with export requirements. You must comply with all applicable export laws, and it is recommended that you obtain legal advice regarding the export laws applicable to your business. For informational purposes only, Microsoft has collected [information on export requirements and other information](#), including United States export regulations, product Export Control Classification Numbers (ECCNs), and export-restricted products.

Learn more about the ISV Royalty Licensing Program at www.microsoft.com/isvroyalty/.

Services Provider License Agreement

With the Services Provider License Agreement (SPLA), an organization can license Microsoft licensed products on a monthly subscription basis, during a three-year agreement term, and use these products to provide software services and hosted applications to its customers.

The SPLA may be right for you if you have one of the following business models and scenarios:

- Your organization provides your customers with direct or indirect access to Microsoft licensed products such as hosted Web sites or line-of-business (LOB) applications through Microsoft server licensed products.
- Your organization offers your customers software services that interact with Microsoft licensed products. In this scenario, you, not the customer, are the licensee.
- Your organization facilitates your customer's business, including business transactions with third parties, through software services that interact with Microsoft licensed products.
- Your organization provides your 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 licensed product on that server.

SOFTWARE SERVICES

Software services are services that you provide to your customers that make licensed products available and that display, run, access, or otherwise interact with Microsoft licensed products. You provide these services from one or more data centers through the Internet, a telephony network, or a private network on a rental, subscription, or services basis, whether or not the Services Provider receives a fee. The SPLA makes offering software services easier because you are the licensee, not the customer.

PROGRAM BENEFITS

The SPLA has many program benefits, including the following:

The ability to deliver a customized service. The SPLA provides greater flexibility when licensing Microsoft products to customers in a dedicated hosting environment or shared hosting environment. The Services Provider can manage the services and Microsoft product use rights for their customers.

Flexible cost structure. With a monthly use-based licensing payment structure, Services Providers pay for only what they authorized their customers to use the previous month. In addition, start-up costs and monthly sales requirements or a long-term commitment are not required. The three-year commitment offering is the addition of stock-keeping units (SKUs) that allow Services Providers to commit up front to licenses for certain licensed products and receive a 12 percent discount.

Wide selection of current product versions. Services Providers can access the most current Microsoft licensed products, including servers and desktop PC applications, for one monthly price per licensed product. They also get the most updated security features and other enhanced features included in the monthly price for that licensed product.

Media fulfillment options. Services Providers can download licensed products through the Microsoft Volume License Services Web site (MVLS) as an alternative

SPLA Improves Cash Flow

SurfGold is a leading relationship management company based in Taiwan and Singapore. The software services offered to SurfGold customers run on Windows Server 2003, and a combination of Microsoft SQL Server 2000 and Microsoft SQL Server 2005.

The company normally purchased software licenses in advance of its business needs, but SurfGold decided to sign a Services Providers Licensing Agreement that would allow license purchases on a monthly basis. Through the SPLA, SurfGold can control how many licenses it needs at any time, and pays only for what is used in any month—freeing up cash flow and spurring business growth.

To read the full story, visit <http://www.microsoft.com/casestudies/casestudy.aspx?casestudyid=4000000224>.

to purchasing licensed media for a minimal cost from the price list through Worldwide Fulfillment. You can visit the MVLS Web site at <https://licensing.microsoft.com/>.

Simplicity of MBSA addition and a single master agreement. The MBSA is a perpetual agreement between the customer and Microsoft that contains evergreen terms and conditions that are applicable to all agreements signed under it. Once an MBSA is signed, a Services Provider only needs to sign a shorter and simplified SPLA every three years. Having a perpetual agreement also makes it easier to acquire support from Microsoft because it includes the ability to purchase Premier and Professional support.

Worldwide distribution. Services Providers can use Microsoft licensed products to sell their services to customers in any part of the world where distribution is legally allowed.

Rental rights. The SPLA includes rental rights that allow Services Providers to rent desktop PCs with certain Microsoft licensed products installed.

Data center outsourcing. Services Providers can install Microsoft licensed products on servers that are under the daily management and control of an outsourcing company so that the outsourcing company can perform data center administration, testing, and maintenance support services for the Services Provider.

One organization-wide agreement. You can include affiliates associated with your organization under one master agreement. Affiliates of your company must be entire legal entities, not partial entities such as departments, divisions, or business units.

Customer facility installations. You can install Microsoft licensed products on devices you own or lease and that are located on your customer's premises.

Expand your reach to corporate and academic institutions. The SPLA has great offers for corporate and academic customers, so you can expand your service offerings.

Customer evaluations. Your customers have a 60-day trial period to use the Microsoft licensed products you provide.

Customer demonstrations. You may offer demos to your customers free of charge with up to 50 active users for demonstration purposes.

Tip...

The Services Provider License Agreement (SPLA) is the only program that gives you the right to license Microsoft products for commercial hosting.

Evaluation and testing of licensed products. You may internally test and evaluate the Microsoft licensed products for up to 90 days before offering them to your customers as a service.

Services Provider Newsletter. You receive a monthly newsletter dedicated to Services Providers that includes program updates and other related news.

AVAILABLE PRODUCTS

The Microsoft SPLA offers you access to a wide selection of Microsoft licensed products. The top SPLA-selling licensed products, ranging from IT solutions to office productivity, are the following:

- Microsoft Dynamics® business software
- Microsoft Exchange Hosted Services
- Microsoft Exchange Server 2007
- Microsoft Forefront™ client security
- Microsoft Office system
- Microsoft Office SharePoint Server
- Microsoft SQL Server
- Microsoft System Center
- Windows Server operating system

PROGRAM REQUIREMENTS

An organization must meet the following requirements to participate in the SPLA program:

- Enroll in the Microsoft Partner Program.
- Is either a Microsoft Certified Partner or a Registered Member of the Microsoft Partner Program. If you are a Registered Member, you must also enroll in the Microsoft Hosting Community. For information on how to join the Microsoft Partner Program, view <https://partner.microsoft.com/global/program>.
- Sign an MBSA.
 - Services Providers that have an existing MBSA/MBA via another Volume Licensing agreement (Enterprise Agreement, Enterprise Subscription Agreement, Select Plus, Select License, or ISV Royalty)

- should work with their account manager and/or reseller to provide their MBSA/MBA number and link the MBSA/MBA to their SPLA.
- Services Providers without an existing MBSA/MBA are required to sign on the next time they sign a SPLA.
 - **Designate a licensed products reseller (indirect agreements only).**

Unless you have a direct agreement with Microsoft, work with a SPLA reseller to complete the Services Provider License Agreement and MBSA (if a new MBSA is necessary). The reseller does the following:

 - Collect your monthly use report or zero use report and submit them to Microsoft.
 - Collect payment for the licenses used during the previous month.
 - Assist you on all aspects of the SPLA Program. Select a licensed products reseller from the list of SPLA resellers at <http://www.microsoft.com/serviceproviders/spla/>.
 - **Provide monthly reporting on software licenses.**

Submit either a monthly use report or zero use report to your SPLA reseller (or to Microsoft for direct agreements) on all licenses that you, your affiliates, and software services resellers authorized your customers to use. If you did not use any of the licensed products to provide software services to your customers, you are required to submit a zero use report. You also must include the customer name and address if the customer generated more than US\$1,000 per month in revenue. In addition, you need to keep all reporting records for two years from your agreement's end date.
 - **Submit monthly invoice payment.**
 - **Indirect agreements**

The SPLA reseller invoices you monthly based on the number of licenses reported in your monthly use report. You are responsible for submitting your payment to the SPLA reseller by the agreed-on date.
 - **Direct agreements**

Microsoft invoices you monthly based on the number of licenses reported in your monthly use report. You are responsible for submitting your payment to Microsoft.
 - **Comply with the Services Provider Use Rights (SPUR).**

The SPUR describes the Product Use Rights (PUR) for products licensed under the SPLA. 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 located at <http://www.microsoftvolumelicensing.com/userights/DocumentSearch.as>

[px?Mode=3&DocumentTypeId=2.](#)

- **Abide by the copyright, the use of trademarks, and antipiracy obligations.**
Services Providers, your affiliates, and software services resellers must abide by the requirements for preventing the piracy of Microsoft licensed products and must comply with trademark and logo use requirements and pass-through copyright and similar notices. You must include a Microsoft copyright notice on any documentation, including online, for your products and services that include Microsoft licensed products.
- **Provide technical support.**
You are responsible for providing technical product support for the Microsoft licensed products you deliver to your customers. You are required to have one of the following:
 - A Microsoft Premier support services agreement; or
 - Support services through the Microsoft Professional support program with prepayment for at least 10 incidents; or
 - Support services that are equivalent to the above through either another Microsoft support program or a third-party support services provider.
- **Agree to participate in Microsoft SPLA audits.**
Microsoft and/or its designees may review your records and facilities (including the data centers) to verify compliance and conduct on-location audits if needed. Microsoft may conduct this review for up to two years after the agreement ends.
- **Comply with the export requirements.** You need to comply with all applicable export laws, and it is recommended that you obtain legal advice regarding the export laws applicable to your business. For informational purposes only, Microsoft has collected information on export requirements and other information, including U.S. export regulations, product ECCNs, and export-restricted products at <http://www.microsoft.com/exporting/>.

AVAILABLE LICENSING MODELS

Licenses acquired under the SPLA are monthly non-perpetual licenses that can be used during the agreement's term. Two licensing models are available, and your customer's licensed product needs determine the license type. Please note that not all products are available in both license models. For a list of licensed

products available for each license model, visit <http://www.microsoftvolumelicensing.com/userights/DocumentHome.aspx>.

The following are the two licensing models:

- **Per Subscriber.** A Subscriber Access License (SAL) is required for each unique individual user or device that is authorized to access or otherwise use the licensed products. With the SAL option, a separate Server License is not needed. Examples of products licensed with a SAL: the Windows Server operating system, Microsoft SQL Server, Microsoft Exchange Server, the Microsoft Office System, and Microsoft Dynamics business software.
- **Per Processor.** Each Processor License allows an unlimited number of users to access the software that is installed on that processor for products licensed through a per-processor model. Examples of products licensed through a per-processor model: Windows Server, Microsoft SQL Server, Microsoft SharePoint Server, and the Office System.

Taking the Next Step

Ensure that your business meets the eligibility requirements for the appropriate licensing program (ISV Royalty Licensing Program or Services Provider License Agreement Program).

For the ISV Royalty Licensing Program: Complete the ISV Royalty License and Distribution Agreement, MBSA, and credit application form (credit application required with direct accounts only). To obtain these documents, contact your Partner Account Manager or local subsidiary, or send an e-mail message to isvroy@microsoft.com. ISVs in some regions can also contact an ISV distributor. You (or your distributor if applicable) submit the ISV Royalty License and Distribution Agreement, MBSA, and credit application form to the applicable Microsoft Operations Center.

For the Services Provider License Agreement: Sign a Services Provider License Agreement and MBSA. If you have an indirect agreement or are new to the SPLA program, contact a SPLA reseller in your region to sign a Services Provider License Agreement and MBSA. If you already have a direct agreement with Microsoft, contact your Microsoft Account Manager. Find a SPLA reseller at <http://www.microsoft.com/serviceproviders/licensing/howto.msp#SPLAReseller>.

More Resources

Get information about Microsoft Partner Program requirements, benefits, and resources at <https://partner.microsoft.com/>.

Learn more about the Services Provider Licensing Agreement Program at <http://www.microsoft.com/licensing/programs/spla/default.aspx>.

Learn more about the ISV Royalty Licensing Program at <http://www.microsoft.com/isvroyalty/>.

For more information on licensing, visit the Microsoft Volume Licensing site at <http://www.microsoft.com/licensing/>.

CHAPTER 7: USING PRODUCTS LICENSED THROUGH A MICROSOFT VOLUME LICENSING PROGRAM

Software products licensed through a Microsoft Volume Licensing program are subject to Product Use Rights (PUR), which govern the use of the software.

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 you may use the software.

When a product license is purchased through a Microsoft Volume Licensing program, the use is governed by the PUR document, together with the Microsoft Volume Licensing program agreement.

The PUR document contains the product-specific terms and conditions that govern how Microsoft products can be used in the Volume Licensing programs. It is the equivalent of the End User License Agreement (EULA), which states the Software License Terms that you receive when acquiring a retail product. Much of the wording is common to both the EULA and the PUR. This document is updated quarterly. The PUR that is in effect as of the beginning of the licensed period for a particular product version applies to the use of that product version throughout the licensed period. The use rights for a particular product version lock when a product is first ordered. If a new version is released, use of the new version is governed by the most current PUR as of the time of that release.

Product Licensing Models

Different products use different licensing models. A desktop PC program, such as Microsoft Office, is licensed quite differently than a server product, such as Windows Server. There are nine licensing model categories. Each is listed below with a brief description of the associated licensing model.

DESKTOP PC APPLICATIONS—PER-DEVICE LICENSE

You must acquire a license for each device using the software (locally or remotely over a network). You may install any number of copies and any prior version on

In this chapter...

- Product Licensing Models
- Resources and Tools
- Managing Your Licenses
- Product Activation

the device or on a network device to support that use. You may also install those copies on the host operating system or in a virtual hardware system.

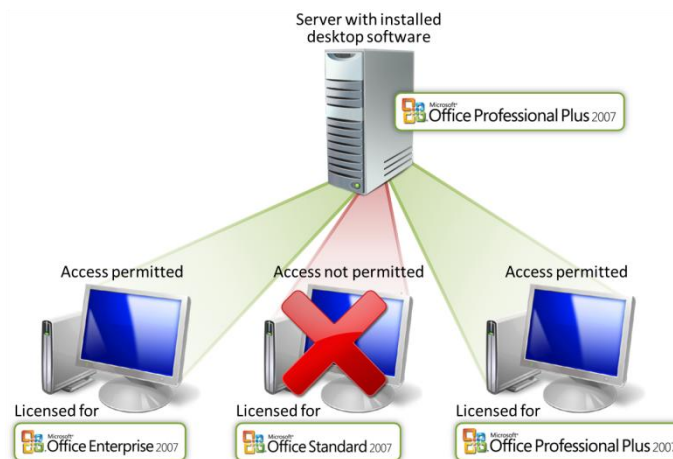
Figure 1

More than one copy can be installed on the licensed device. You may access copies of the software installed on a network device only from a device that has a license for the software.



Figure 2

The device you use to remotely access software must be licensed for the same or higher edition, but not an lesser edition.



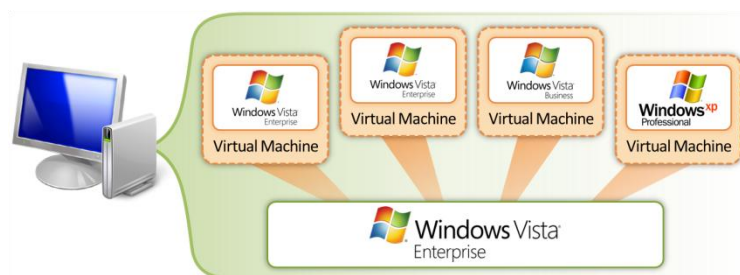
DESKTOP PC OPERATING SYSTEMS—PER-COPY, PER-DEVICE LICENSE

You must acquire a license for each device on or from which you access or use the software (locally and remotely). You may install only one copy on the device. You may install that copy on the host operating system or in a virtual (or otherwise emulated) hardware system. In Volume Licensing, the desktop PC operating system license is an “upgrade license.” You may only acquire upgrade licenses for devices for which you have already licensed a “qualifying operating system.” A list of “qualifying operating systems” that qualify for an upgrade license is contained in the Product List, which can be found at <http://www.microsoftvolumelicensing.com/userights/PL.aspx>.

If you acquire “Software Assurance,” you have the right to use “Windows Vista Enterprise Edition” on the device instead of Windows Vista Business. This also permits you to run up to four additional copies or instances on the device.

Figure 3

A device used for Windows Vista Enterprise may have Windows Vista Enterprise running in the physical operating system environment and a mix of Windows editions and versions running in four virtual operating system environments all on the same physical device.



DEVELOPER TOOLS—PER-USER LICENSE

You must acquire a license for each user you permit to access or use the software. You may install any number of copies on any number of devices for access and use by one user to design, develop, test, and demonstrate programs. Only licensed users may access the software.

ONLINE SERVICES—USER OR DEVICE SUBSCRIPTION LICENSE, SERVICES SUBSCRIPTION LICENSE, OR ADD-ON SUBSCRIPTION LICENSE

For organizations with more than five users, Microsoft offers a new way to quickly subscribe to and use Microsoft® Online Services (OLS). Microsoft delivers its software as a service for both consumers (with Live) and for businesses (with Online Services). Organizations with as few as five users can subscribe and use Microsoft OLS. Because OLS are subscription-based, customers pay per user per month or per user per year. Customers can also have Microsoft or a partner run that service for them, giving more time to focus on your organization. With the new Microsoft Online Subscription Program (MOSP), customers can quickly subscribe online, rapidly deploy services, and manage their licenses using an online management tool.

Online Services are subscription-based and provide access to software and services. Licensing under this model consists of one or more of the following:

- **User Subscription License or Device Subscription License (USL or DSL).** For offerings that require these, USLs and DSLs are needed for each user or device that accesses the online service.
- **Services Subscription License (SSL).** For offerings that require these, this license applies to the entire organization's use of the online service. User, Device, or Add-on SLs may be required as well, depending on the service offering.
- **Add-On Subscription License (Add-on SL).** This license sometimes is used instead of or in addition to USLs, DSLs, and SSLs. Its purpose varies. For example, it can apply to a specified number of consumed units, such as gigabytes of storage, or it can apply to a single server accessed by external users. Add-on subscription licenses are not always required.

For customers with Enterprise Agreements or Campus and School Agreements, Microsoft recommends that you purchase Online Services through your existing Volume Licensing agreement to obtain optimized price advantages for volume purchases.

For customers that purchase through Microsoft Open License, Open Value, Select License, and Select Plus, Microsoft recommends that you evaluate and determine how subscribing to Microsoft Online Services can support your IT strategy.

SERVERS—OPERATING SYSTEMS—SERVER LICENSE PLUS CAL PLUS OPTIONAL EXTERNAL CONNECTOR

With most products, you must acquire a license for each running instance of the server software you run on a server. You may run that instance in a physical or virtual operating system environment. By exception to the licensing model, some products provide broader use rights. For example, a Windows Server 2008 Enterprise license permits a running instance in up to four virtual operating system environments at a time on the licensed server. With some products, such as Windows Server 2008 Datacenter, you may run any number of instances at the same time as long as you license each physical processor on the licensed server.

Figure 4

The number of permitted instances for each operating system license.

Operating System	Permitted instances in physical and virtual operating system environments on a single server
Windows Server 2008 Standard	1* + 1
Windows Server 2008 Enterprise	1* + 4
Windows Server 2008 Datacenter	Unlimited
Windows Small Business Server 2008 Standard	1* or 1
Windows Server 2003 for Small Business	1* or 1

**If running the maximum allowed instances, the instance in the physical operating system environment may only be used to run hardware virtualization software, provide hardware virtualization services, or run software to manage and service operating system environments on the licensed server.*

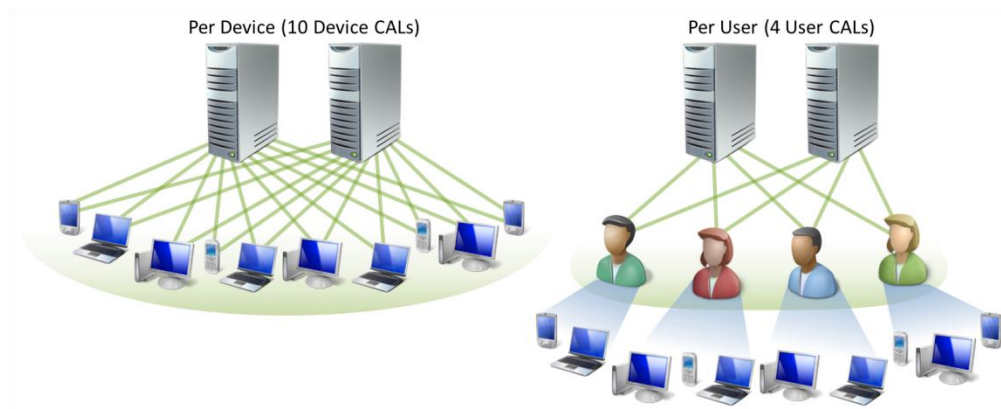
Except as outlined in these PUR, all server operating system products require a CAL for each user or device that accesses the server software. Device CALs and User CALs are two types of CALs:

- **Device CAL.** Licenses a device for use by any user to access instances of the server software.
- **User CAL.** Licenses one user to use any device to access instances of the server software.

CALs are version-specific. They 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.

Figure 5

CAL assignment based on user or device.

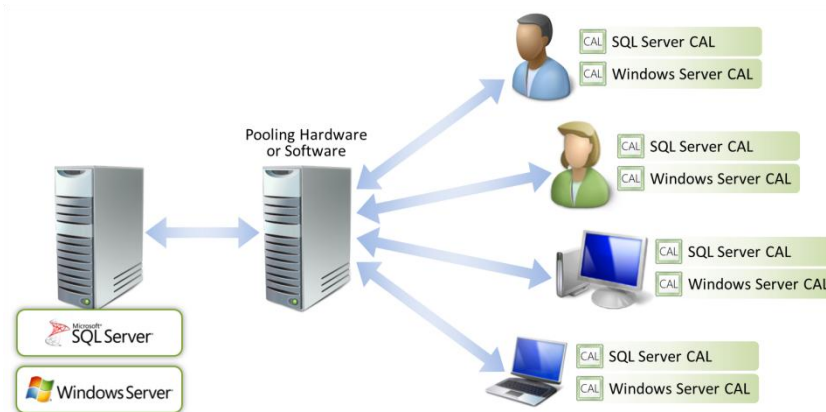


You may deploy network architectures that use hardware or software to reduce the number of devices or users that **directly** access the software on a server. This

is referred to as multiplexing or pooling. This does not reduce the number of CALs required to access or use the server software. A CAL is required for each device or user that is connected to the multiplexing or pooling software or hardware front end.

Figure 6

Multiplexing: Users and devices may indirectly access the Windows or SQL Server software as shown in the diagram below. Indirectly accessing the server software does not negate the requirement for a CAL. In the example below, each user and/or device on the right is required to have a Windows Server CAL and a SQL Server CAL.



An External Connector (EC) license is an alternative to CALs for each server that external users access. External users are users who are not employees or on-site contractors. An EC license assigned to a server permits access by any number of external users, as long as that access is for the benefit of the licensee and not the external user. Each physical server that external users access requires only one EC license regardless of the number of instances running. The right to run instances of the server software is licensed separately; the EC, like the CAL, simply permits access. EC licenses, like CALs, are version and functionality specific. They must be the same version or later than the server software being accessed. The decision on whether to acquire CALs or an EC is primarily a financial one.

SERVERS—MANAGEMENT SERVERS—SERVER LICENSE PLUS MANAGEMENT LICENSE

You must acquire a license for each instance of the management server software you run on a server. You may run that instance in a physical or virtual operating system environment.

Except as outlined in these PUR, all management server products require management licenses for each device managed by the server software. Two categories of management licenses exist: one for servers and one for non-servers.

A. Licenses required for managed servers.

For each server operating system environment (OSE) on a device that you want to manage, you need a server management license (ML). If you have more than one OSE, then you need an equivalent number of MLs for that device. A single System Center Server Management Suite Enterprise license may be used to manage any number of OSEs on a server. Server MLs also permit managing non-server OSEs.

B. Licenses required for non-servers.

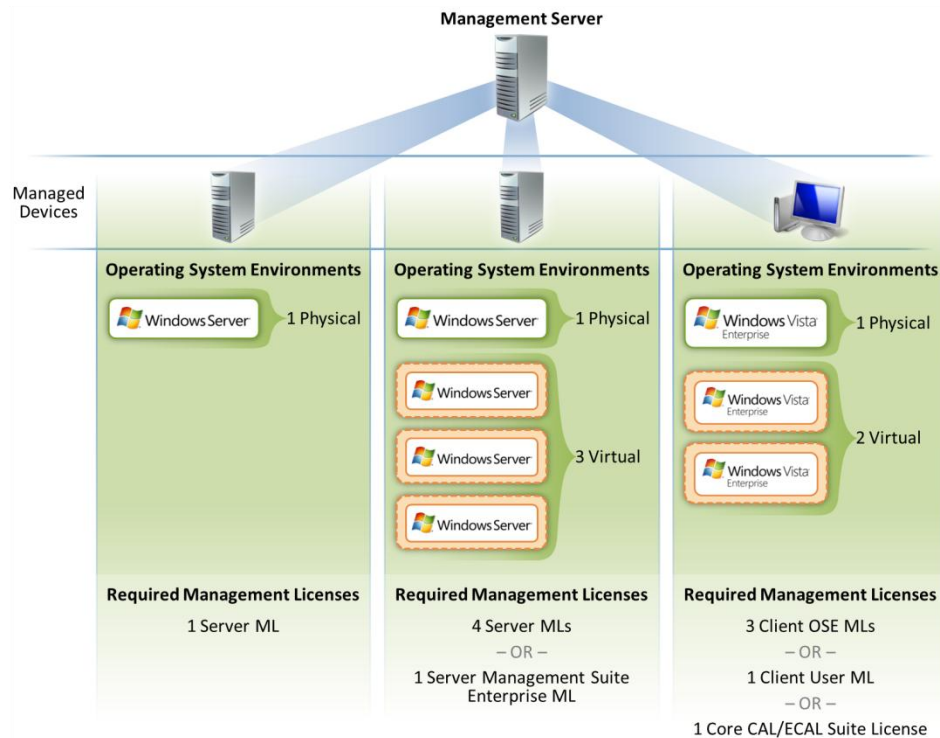
For each non-server OSE on a device that you want to manage, you need a client ML. Two types of client MLs are OSE MLs and User MLs.

- **OSE MLs.** Like Server MLs, where the required number of MLs equals the number of OSEs, you need an OSE client ML for each non-server OSE you want to manage on a device. Your OSE client MLs permit your instances of the server software to manage an equivalent number of non-server OSEs used by any users of a device.
- **User MLs.** Alternatively, you may choose to use user client MLs. These MLs permit managing any non-server OSEs used by each user to whom a user client ML is assigned. If you have more than one user using an OSE, and you are not licensing by OSE, you must assign user client MLs to each of the users.

The Core CAL and the Enterprise CAL Suite licenses also permit managing any number of non-server OSEs on a device under one license (per device).

Figure 7

Each OSE on a device requires a Management License (ML) to be managed by a Management server product. In the case of server OSEs, another option is to acquire a Server Management Suite Enterprise ML, which allows for managing any number of OSEs on a device. In the case of non-server OSEs, other options are to license management by user or to license through the Core CAL Suite or ECAL Suite.



SERVERS—SERVER/CAL—SERVER LICENSE PLUS CAL PLUS OPTIONAL EXTERNAL CONNECTOR

With most products, you must acquire a license for each instance of the server software you run on a server. You may run that instance in a physical or virtual operating system environment. By exception to the licensing model, some products provide broader use rights. For example, a Windows Server 2008 Enterprise license permits a running instance in up to four virtual operating system environments at a time on the licensed server. With some products, such as Windows Server 2008 Datacenter, you may run any number of instances at the same time as long as you license each physical processor on the licensed server.

Except as outlined in the PUR, all server/CAL products require a CAL for each user or device that accesses any instance of the server software. Two types of CALs are Device CALs and User CALs.

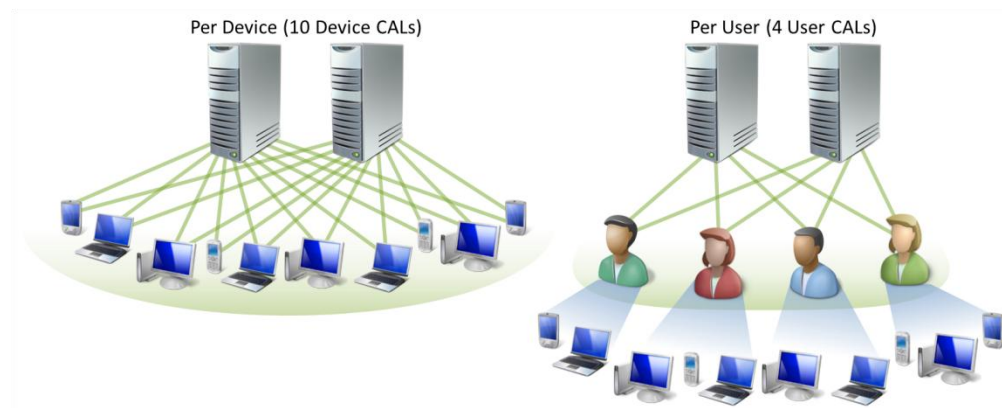
- **Device CAL.** Licenses a device for use by any user to access instances of the server software on licensed servers.
- **User CAL.** Licenses one user to use any device to access instances of the server software on licensed servers.

CALs are version and functionality specific. They must be the same version or later than the server software being accessed.

You may deploy network architectures that use hardware or software to reduce the number of devices or users that **directly** access the software on a server. This is referred to as multiplexing or pooling. This does not reduce the number of CALs required to access or use the server software. A CAL is required for each device or user that is connected to the multiplexing or pooling software or hardware front end.

Figure 8

CAL assignment based on user or device.



An External Connector (EC) license is an alternative to CALs for each server that external users can access. External users are users who are not employees or on-site contractors. An EC license assigned to a server permits access by any number of external users, as long as that access is for the benefit of the licensee and not the external user. Each physical server that external users access requires only one EC license regardless of the number of instances running. The right to run instances of the server software is licensed separately; the EC, like the CAL, simply permits access. EC licenses, like CALs, are version and functionality specific. They must be the same version or later than the server software being accessed. The decision about whether to acquire CALs or an EC is primarily a financial one.

SERVERS—PER-PROCESSOR—PER-PROCESSOR LICENSE

You must acquire a license for each processor on a server that the software uses. For software running in physical operating system environments, you must license each physical processor. For software running in virtual operating system environments, you need to license only the virtual processors the software uses. You do not need CALs or EC licenses because per-processor licensing allows any number of users to access the software from any number of devices.

You may run any number of instances in licensed physical or virtual operating system environments.

Figure 9

Per Processor—Physical Operating System Environment. For software running in physical operating system environments, you must license each physical processor. This scenario requires four SQL Server Standard Per Processor licenses.

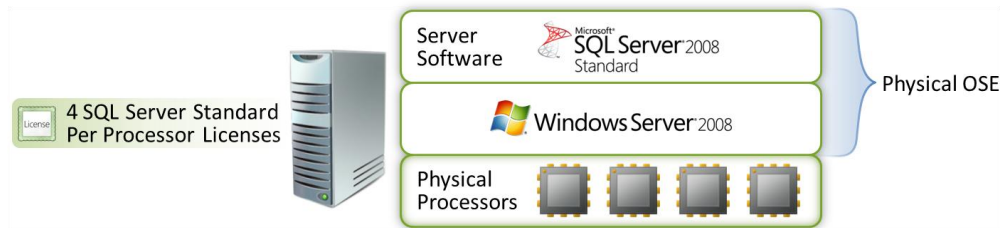
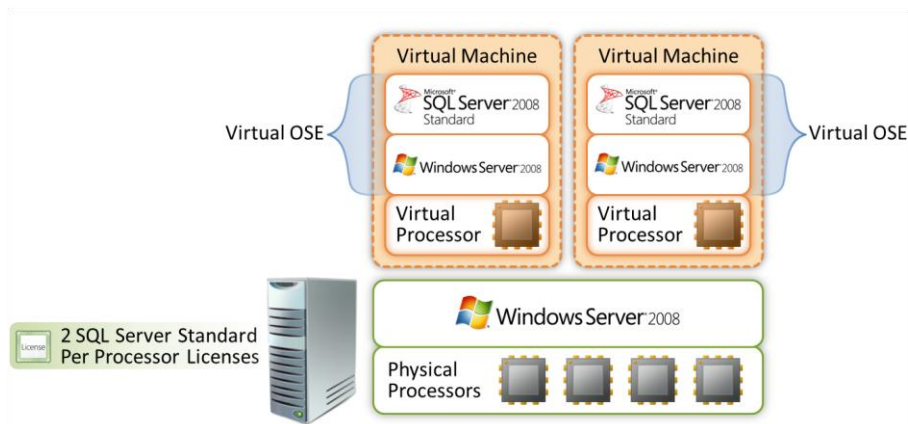


Figure 10

Per Processor—Virtual Operating System Environments. For software running in virtual operating system environments, you need to license only the virtual processors the software uses. This scenario requires two SQL Server Standard Per Processor licenses.



SERVERS—SPECIALTY SERVERS—SERVER LICENSE

You must acquire a license for each instance of the server software you run on a server. You may run that instance in a physical or virtual operating system environment. By exception, some products provide more specific use rights. Examples of specialty servers include Microsoft Office Groove[®] Server 2007 software, Windows Web Server 2008, and Microsoft Dynamics CRM 4.0 Workgroup Server.

Find the most current Product Use Rights document at <http://www.microsoftvolumelicensing.com/userights/PUR.aspx>.

Resources and Tools

Microsoft provides a number of tools and resources to help customers keep up-to-date on product licensing. The Microsoft Product Licensing Web site (<http://www.microsoftvolumelicensing.com/>) has licensing terms, conditions, and supplemental information relevant to using products licensed through Microsoft Volume Licensing Programs, where you can find:

- **Microsoft Product List:** Produced every month to provide the most current information about Microsoft software and Online Services licensed through Microsoft Volume Licensing programs.
- **Microsoft Product Use Rights:** Produced quarterly and provides information about the use rights for products currently offered under Microsoft Volume Licensing programs.
- **Volume Licensing Support Documents:** Offers additional information, such as government qualifiers, qualified educational user definitions, language options, and currency tables.
- **Microsoft Technical Limitations:** Summarizes technical limitations included in some of our products, such as how many processors can use a specific server product at one time.
- **Worldwide Contact Information:** Helps customers get answers to product licensing questions.

In addition, Microsoft Volume Licensing Briefs provide information on specific licensing topics, such as Multi-Lingual User Interface (MUI) Language Packs for Windows Vista, Downgrade Rights Chart, and Work at Home Licenses.

New topics are added regularly, and each document is available for download.

You can find the licensing briefs at

<http://www.microsoft.com/licensing/resources/volbrief.mspx>.

Managing Your Licenses

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

MICROSOFT VOLUME LICENSING SERVICE CENTER

The online VLSC tool provides convenient online solutions for Volume Licensing customers to easily manage licensing agreements and products. VLSC is a password-protected Web site for viewing your license agreements and purchases.

With this online tool, you can manage your licenses for Open License, Open Value, Select License, and Enterprise Agreements. From the VLSC site, you can:

- Calculate current Microsoft License Statements to view an easy-to-understand, comprehensive license summary across programs and agreement.
- View license purchases and licenses purchased to date, including expired agreements.
- View and request Microsoft VLKs and download software based on entitlements.
- Activate and use Microsoft Software Assurance benefits.
- Manage access rights for internal staff and Software Assurance administrators.

You can find the Microsoft Volume Licensing Service Center at

<https://www.microsoft.com/licensing/servicecenter/home.aspx>.

MICROSOFT VOLUME LICENSING FULFILLMENT USER GUIDE

This online resource helps you manage your library of Volume Licensing media. The site provides CD information on the Volume Licensing media that is available in the various Comprehensive and Subscription Kits and in the individual Volume Licensing Disk Kits.

Visit the Microsoft Volume Licensing Fulfillment Web site at <http://selectug.mslicense.com/>.

ASSET MANAGEMENT

With this site, you can implement a Software Asset Management plan that can help your organization get control of spending, save money, and stay ahead of the competition.

You can visit the Software Asset Management Web site at <http://www.microsoft.com/resources/sam/default.aspx>.

Product Activation

To try to reduce software piracy and to make sure that all Microsoft customers receive the product quality that they expect, Microsoft is now including Product Activation technology in several Microsoft products that are sold through OEMs, retail, and Volume Licensing channels. For the Windows Vista operating system, Volume Licensing customers must use a new type of activation called Volume Activation 2.0. Volume Activation 1.0 (VA 1.0) is the first generation of VLKs. These keys bypass product activation.

You can find more details about this at <http://www.microsoft.com/licensing/resources/vol/default.aspx>.

CHAPTER 8: MICROSOFT SOFTWARE ASSURANCE FOR VOLUME LICENSING

Microsoft Software Assurance is a comprehensive offering that helps you extend the value of your software investment. More than just maintenance, Software Assurance combines a broad range of benefits into one program to help organizations deploy, manage, and migrate software.

With Software Assurance, you get access to the latest software updates and other important resources and tools that optimize key performance criteria for business productivity, the application platform, and core infrastructure, such as:

Tip...

For every Windows Client license covered under Software Assurance, you are entitled to one Windows Vista Enterprise upgrade license.

- 24x7 Problem Resolution Support
- Packaged Services
- E-Learning
- Training Vouchers
- Home Use Program
- Windows Vista Enterprise
- Microsoft Desktop Optimization Pack
- IT tools such as TechNet to help deploy, manage, and migrate software

You can choose Software Assurance at the time of purchase and begin using your benefits immediately for the term of your license agreement.

Benefit Eligibility

Eligibility for individual Software Assurance benefits may vary depending on your Volume Licensing agreement type and/or geography.

For benefit eligibility information for commercial and government organizations, please visit <http://www.microsoft.com/licensing/sa/default.mspx>.

For benefit eligibility information for educational institutions, please visit <http://www.microsoft.com/education/softwareassurance.mspx>.

Available Benefits

Note: Benefits are subject to change. Please refer to the Microsoft Volume Licensing Product List at <http://www.microsoft.com/licensing/userights/> to verify the current benefits.

New Version Rights. Receive new versions of licensed software released during the term of your agreement.

Step Up License Availability. Migrate from a lower-level software edition to a higher-level edition of certain licensed products. Step Up is available at any time during the term of your Software Assurance coverage, at no additional cost.

Spread Payments. Reduce your initial costs by making payments annually instead of making one up-front payment.

Packaged Services. Helps you lower the cost and complexity of deploying new software and can help you maximize the value of your software investment. Service offerings include the following:

- Desktop Deployment Planning Services
- SharePoint Deployment Planning Services
- Exchange Deployment Planning Services
- Business Value Planning Services

Windows Vista Enterprise. Use this premium desktop PC operating system for medium-sized and large organizations. Available exclusively to Software Assurance customers, Windows Vista Enterprise delivers solutions for myriad challenges, from protecting sensitive data and improving legacy application compatibility to simplifying IT deployment and management.

Boosting Productivity with Home Use Program, a Benefit of Software Assurance

CH2M HILL Corporation is one of the 100 best places to work, according to *Fortune Magazine*. And it is constantly looking for ways to enhance that reputation.

One important addition to its employee benefit program is its ability to offer employees the latest versions of Microsoft Office software—the same software they use on the job—for their home desktop PCs, for just the cost of materials, shipping, and handling.

CH2M HILL gets that benefit as part of the Microsoft Home Use Program included with its Microsoft Software Assurance for Volume Licensing benefits. Employees have saved some US\$250,000 thanks to the Home Use Program, and their productivity is up—a typical employee reports a 10 percent increase. Meanwhile, calls to the help desk are down.

To read the full story, visit <http://download.microsoft.com/download/6/5/1/6519291d-5fad-4666-9b4f-c9b943a09b1c/SACaseCH2MHILLHUP.doc> (Microsoft Word file, 458 KB)

Microsoft Desktop Optimization Pack (MDOP). Available exclusively to Software Assurance customers, the MDOP is an add-on subscription license that uses innovative technologies to help better control the desktop PC, accelerate and simplify desktop PC deployments and management, and create a dynamic infrastructure by turning software into centrally-managed services.

Training Vouchers. Receive training vouchers for training on select courses from Microsoft Certified Partners for Learning Solutions (CPLSs).

E-Learning. Access Microsoft E-Learning courses online or offline, including simulations, hands-on exercises, and learning assessments.

Home Use Program. Get your employees using Microsoft Office desktop PC programs for work or personal needs with the Home Use Program.

Microsoft Office Multi-Language Pack. Enables IT to deploy a single Microsoft Office 2007 suite image with support for 37 languages, while also supporting individuals who create or edit content in multiple languages.

Employee Purchase Program. Offer your employees significant discounts off retail pricing on the most popular Microsoft productivity and consumer products.

Enterprise Source Licensing Program. Access Windows source code for internal development and support, if you have 1500 or more desktops.

24x7 Problem Resolution Support. Select the right level of help with business-critical 24 hours a day, 7 days a week phone support for all Microsoft server products, Windows, and the Microsoft Office System.

TechNet Benefits for Software Assurance. Provide your IT staff with fast and convenient online access to Online Concierge Chat, Managed Newsgroups, and additional IT resources they need to do their jobs.

"Cold" Backups for Disaster Recovery. Be eligible for complimentary "cold backup" server licenses for disaster recovery.

Windows Fundamentals for Legacy PCs. Available exclusively to Microsoft Software Assurance customers, this small-footprint Windows-based operating system solution is for customers who have legacy computers running early operating systems and who are not in a position to purchase new hardware.

Tip...

Through the Home Use program, for each Office Application license covered under Software Assurance, a user of the licensed device is entitled to one copy of the corresponding product for use at home.

Extended Hotfix Support. Receive a waiver for annual fees and required sign-up periods associated with Extended Hotfix Support Account (EHSA).

Taking the Next Step

Your preferred Microsoft Volume Licensing reseller can help you acquire Software Assurance, which can be ordered through any Microsoft Volume Licensing program.

To find a Microsoft Volume Licensing reseller:

- In the United States, call (800) 426-9400 or visit <https://solutionfinder.microsoft.com/>
- In Canada, call the Microsoft Resource Centre at (877) 568-2495.
- Outside the United States or Canada, contact your local Microsoft subsidiary. To locate your local subsidiary, visit <http://www.microsoft.com/worldwide/>.

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Microsoft provides this material solely for informational and marketing purposes. Customers should refer to their agreements for a full understanding of their rights and obligations under Microsoft Volume Licensing programs. Microsoft software is licensed not sold. The value and benefit gained through the use of Microsoft software and services may vary by customer. Customers with questions about differences between this material and the agreements should contact their reseller or Microsoft account manager.