

Microsoft Partner Incentives

Cloud Solution Provider

Indirect Reseller Incentive Guide

October 1, 2020 – September 30, 2021



Table of Contents

Program Overview	4
How to Use This Guide	4
Executive summary.....	4
Incentive summary.....	4
Partner eligibility	5
Invitation to Participate	6
Partner Performance Requirements	6
Multiple Partner Location Account MPN IDs.....	6
Multiple Transaction Partner Location Account MPN IDs	6
Partner Center Incentive Enrollment	6
Loss of Eligibility.....	6
Prior Program Term Participation.....	7
Earning Opportunity	7
Incentive Program Structure & Rates	7
Global Incentives.....	8
Strategic Accelerators	8
Co-op.....	10
Local Accelerators.....	10
Eligible Revenue Activities	11
Eligible Licensing Programs.....	11
Indirect Channel Requirements.....	11
Eligible Product Offers	11
Eligible Azure Consumption	11
Ineligible Revenue Activities	12
Sales to Self.....	12
Public Sector	12
Ineligible Revenue	12
Ineligible Azure Consumption	12
Ineligible Product Offers	12
Ineligible Services	13
Transaction Requirements	13
Reversed or Credited Transactions	13
Definition of Public Sector	13
Change of Channel Partner.....	13
Partner Payment Information	14
Payment Requirements	14
Payment Types.....	14
Co-op.....	14
Payment Cadence.....	15

Payment Method 15

Foreign Exchange Conversion Rate 15

Minimum Payment Threshold..... 15

Overpayment..... 15

Payment Held for Compliance..... 16

Invoice Requirements..... 16

China – Country Specific Requirements for Azure..... 16

Disputes and Resolution 16

Support and Resources 16

 Support Channels 16

 Useful links 16

 Resources..... 17

Attachment 1: Customer Add Accelerators 18

 Modern Work & Security example scenarios 18

 Business Applications example scenarios 19

Program Overview

How to Use This Guide

By participating in the incentive program, the partner agrees to all rules, terms, and policies contained within the Microsoft Partner Network ("MPN") Agreement, any amendments or any subsequent applicable mutually executed partner agreement, and the incentive program guide.

The information contained within this guide should be treated as Microsoft Confidential and may be subject to change.

This guide, effective as of October 1, 2020, replaces and supersedes all prior incentive guides and any related communications.

In the event of a conflict between this guide and the terms of the partner's Microsoft Partner Agreement, that partner's Microsoft Partner Agreement will govern.

This guide includes:

- Partner eligibility requirements
- Partner onboarding and enrollment
- Available incentive offers
- Support, escalation, and resolution process

Executive summary

The Microsoft Cloud Solution Provider (CSP) program enables partners to directly manage the entire lifecycle for their Microsoft cloud customers including billing and support. Partners can easily package their own tools, products and services with Microsoft cloud offerings, and combine them into one monthly or annual customer bill.

The Microsoft CSP Indirect Reseller incentive program rewards those Indirect Resellers for their activation and enablement of a resale channel and the sale of Microsoft-based online services.

Incentive summary

The below summary covers key elements for the Fiscal Year 2021 (FY21) program, which begins October 1, 2020 and ends September 30, 2021. Additional program details are provided throughout this incentive guide.

Key FY21 program details:

- Core incentive opportunities for Azure, Modern Work & Security, and Business Applications carry over from FY20.
- The Global Strategic Product Accelerator has been updated to a two-tiered system. Select products will earn rates of either 5% or 10% above the core rates.
- Customer Add Accelerators will continue in FY21 for revenue from Modern Work & Security and Business Applications products.
- The Global PSTN Calling & Conferencing Accelerator, Azure Reservation incentive, and CSP subscription software incentive continue unchanged in FY21.
- Local Accelerators are available in select markets and pay an additional incentive on defined products.

Partner eligibility

To be eligible for participation and before an incentive can be earned, a partner must have an active MPN membership and agreement; perform all qualifying activities; and complete all registration requirements as stated in the incentive guide.

Any incentives earned under the incentive program are for the benefit of the partner. Incentives earned as co-op may only be used for applicable activities as stated in the Co-op Guide. Partners may not disclose the monetary value of the incentives earned to their customers.

Additionally, in order to be eligible to participate in the FY21 CSP Indirect Reseller incentive program, a partner must complete all onboarding and registration requirements under the Microsoft Cloud Solution Provider program. If any registration requirement is incomplete, or if a partner is offboarded from the CSP program, the partner may not earn a payout under the incentive program.

Partner Authorization	Microsoft CSP Indirect Reseller Channel Authorization
Partner Agreement	Microsoft Partner Agreement
Competency	Recognized by Microsoft as having one of the following eligible competencies: Cloud Business Applications, Cloud Platform, Cloud Productivity, Data Analytics, Data Platform, Enterprise Mobility Management, Enterprise Resource Planning, Small and Midmarket Cloud Solutions, Windows and Devices
Membership level	Gold or Silver
Competency status	Active
Licensing Program(s)	CSP
Eligible Products	Microsoft product availability may vary by region. The list of eligible products is subject to change at the discretion of Microsoft. Partners are only eligible to receive incentives for products sold or made available in the regions in which the partner is authorized.
Eligible Azure Consumed Revenue	Incentives are eligible for metered services that result in Microsoft revenue. Incentives are calculated based on the prices for Microsoft Azure Services effective during the earning period Microsoft Azure Services are consumed.
Performance thresholds	Minimum \$200 USD transacted in the Cloud Solution Provider Indirect Reseller program in the previous 12 months. Excludes revenue attributed to the Azure plan offer.

Invitation to Participate

Once a partner meets all business and program eligibility requirements, partners are invited to participate on a rolling basis. Invitations to participate are made available for each eligible transacting Partner Location Account MPN ID through the Incentives Overview section on Partner Center.

Transacting Partner Location Account MPN IDs that fail to meet business eligibility requirements will not receive an invitation to participate in the incentive program.

Partners begin earning incentives in the month that they meet all business eligibility requirements and complete all incentive program enrollment activities.

Partner Performance Requirements

Partners must meet specific revenue performance thresholds in order to be eligible to participate in the incentive program. Revenue performance thresholds are set based upon Microsoft's classification of the country associated with the partner's transacting Partner Location Account MPN ID.

Multiple Partner Location Account MPN IDs

For partners operating in more than one location or under multiple MPN IDs, a partner's Partner Center profile(s) must be completed for all transacting Partner Location Account MPN IDs. Complete partner profiles include acceptance of program terms and conditions, completion of bank and tax profiles, review of incentive documentation, and acceptance of required agreements.

Multiple Transaction Partner Location Account MPN IDs

Partners with multiple geographic locations will onboard in the location(s) where the transactions (sales) occur and not necessarily the managed location. Each location onboarded must have an MPN ID for that specific location.

Partner Center Incentive Enrollment

Partners have completed incentive program enrollment activities when their enrollment status reflects as 'Enrolled' in Partner Center. Partners are responsible for monitoring their incentive program enrollment status and providing updated bank or tax information when their enrollment status in Partner Center indicates 'Action Required' to maintain their enrolled status in the incentive program.

Partners begin earning incentives in the month that they meet all Program Eligibility requirements and complete all incentive program enrollment activities.

Loss of Eligibility

Partners that no longer meet any or all program eligibility requirements during the incentive program year are not entitled to earn or retain incentives earnings for the earning periods for which they failed to meet or maintain all program eligibility requirements.

If incentive eligibility is lost, Microsoft will complete payments for all eligible incentives earned through the last month that the partner had eligible earnings; and such payments will only be made to the extent partner has then-current as well as accurate bank and tax information.

Partners previously eligible for the incentive program are not guaranteed participation in future incentive program years if the partner does not meet the current eligibility criteria for the incentive program.

If incentive program eligibility is lost, partners must regain eligibility for subsequent incentive earning periods.

Prior Program Term Participation

Partners participating in the prior incentives Program Term that meet current incentives Program Term requirements will be automatically included in the current incentives Program Term.

Earning Opportunity

Incentive Program Structure & Rates

This incentive program includes global, local, and co-op components. The rates for the FY21 incentive program year will be in effect from October 1, 2020 – September 30, 2021.

Incentive structure	Rate	Earning Split
Core – Azure billed revenue	4%	60% Rebate 40% Co-op
Core – Modern Work & Security billed revenue	4%	
Core – Business Applications billed revenue	4.75%	
Customer Add Accelerator – Modern Workplace	10%	
Customer Add Accelerator – Business Applications	20%	
Global Strategic Product Accelerator – Tier 1	5%	
Global Strategic Product Accelerator – Tier 2	10%	
Global PSTN Calling and Conf Accelerator	20%	
Azure Reservation consumption	10%	100% Rebate
Subscription software	Core: 1.25% Strategic: 6%	

Global Incentives

Global incentives are applied as a percentage of revenue transacted for specified products. For a full list of products eligible for global incentives, reference the CSP Product Addendum.

- **Core – Azure:** is calculated based on billed revenue pursuant to the [Microsoft Azure](#) offer. Earnings are split between 60% rebate payment and 40% co-op accrual. Note that billed revenue pursuant to the [Azure plan](#) offer is not included in the incentive calculation for this program but is instead captured and calculated under the separate Microsoft Commerce Incentive (MCI) program. For additional information on the MCI program, including enrollment guidance, visit the [Microsoft partner website](#).
- **Core – Modern Work & Security:** is calculated based on billed revenue from the sale of specified products as set forth in the Product Addendum. Earnings are split between 60% rebate payment and 40% co-op accrual.
- **Core – Business Applications:** is calculated based on billed revenue from the sale of specified products as set forth in the Product Addendum. Earnings are split between 60% rebate payment and 40% co-op accrual.
- **Azure Reservations:** is calculated based on consumption of a pre-purchased monetary commitment on a specific Azure Reservation for Azure Services within a [Microsoft Azure](#) offer. Consumption within the Azure Reservation is not eligible for the core Azure incentive rate. Earnings are paid as 100% rebate.
- **Subscription software:** is calculated based on billed revenue from the sale of subscription software products Windows Server and SQL Server. Earnings are paid as 100% rebate. Incentive payments arising from Windows Server revenue are calculated based on the core rate and incentive payments arising from SQL Server revenue are calculated based on the strategic rate. This incentive is paid whether the subscription licenses are used for virtual machines running in Azure or are deployed on-premises through the Azure Hybrid Benefit.

Strategic Accelerators

Strategic Accelerator payments are calculated as a percentage of revenue transacted for specified products unless otherwise noted. These incentives are applied in addition to the global incentive core earning opportunities. For a full list of eligible products, please reference the CSP Product Addendum.

- **Global Strategic Product Accelerator:** is calculated based on billed revenue from specified Modern Work & Security and Business Applications products. Earnings are split between 60% rebate payment and 40% co-op accrual. This incentive is applied to two tiers of strategic products: transactions of Tier 1 products earn an incremental 5% incentive in addition to the core incentive, and transactions of Tier 2 products earn an incremental 10% incentive in addition to the core incentive.
- **Global PSTN Calling & Conferencing Accelerator:** is calculated based on billed revenue from specified Modern Work & Security products. Earnings are split between 60% rebate payment and 40% co-op accrual. Transactions of these products earn an incremental 20% incentive in addition to the core incentive.

- **Customer Adds Accelerators:** is calculated based on billed revenue from specified Modern Work & Security and Business Applications products. Earnings are split between 60% rebate payment and 40% co-op accrual. CSP partners earn a fixed payment once a customer reaches a defined revenue threshold. Customer revenue is measured at the Top Parent ID (TPID) level for the purpose of this Accelerator. See summary below for each Customer Add Accelerator opportunity. Additional details are listed in Attachment 1.
 - o **Modern Work & Security:** This accelerator rewards partners when their customer, as identified by that customer's unique TPID, reaches and maintains an initial monthly volume threshold for billed revenue of Modern Work & Security CSP products. Partners can earn up to 12 monthly payments worth 10% of a customer's monthly billed revenue once the customer reaches and maintains more than \$250 USD in monthly CSP billed revenue (or \$3,000 USD for annual subscriptions) for the first time in the previous 12-month period
 - The threshold calculation takes into account revenue from all Microsoft channels, such as products transacted on Enterprise Agreement and Open licenses, as well as CSP transactions. If a customer TPID shows \$250 or more in monthly revenue over the previous 12-month period (or \$3,000 for annual subscriptions) across all sales channels, it would be ineligible for Customer Add payment consideration.
 - Alternatively, if a customer TPID shows less than \$250 in monthly revenue over the previous 12-month period (or \$3,000 for annual subscriptions) across all sales channels, it would be eligible for Customer Add payment consideration. In that scenario, once the customer's monthly CSP revenue reaches \$250 or higher, for the first time in the previous 12-month period (or \$3,000 for annual subscriptions) Microsoft will reward the CSP partner that transacted the products which grew customer revenue over the threshold amount. The total monthly CSP revenue transacted by that partner, for that customer, is then applied to the 10% incentive rate for 12 months.
 - The monthly incentive will be calculated to include any new seats added to the customer during the 12-month period. Incentive payments will cease if and when the customer's monthly CSP billed revenue drops below the \$250 threshold (or \$3,000 for annual subscriptions). Incentive payments will begin again if and when the customer returns to the \$250 threshold within the same 12-month period (or \$3,000 for annual subscriptions).

Accelerator	Threshold	Earnings
New Customer Add	\$250 USD billed monthly revenue	10% of monthly billed revenue for each month of the next 12 months where revenue exceeds the threshold

- o **Business Applications:** This two-stage accelerator rewards partners when their customer, as identified by that customer's unique TPID, reaches a specific initial billed revenue threshold (as set forth below) and again once a subsequent growth threshold (as set forth below) is met. Both thresholds are measured against a customer's billed revenue arising from Business Applications CSP products. This accelerator is capped at \$100,000 USD per customer TPID.

- **New Customer Add (initial threshold):** Partners can earn a one-time payment worth 20% of a customer’s annual contract value (ACV) when the customer meets or exceeds \$1,000 USD in monthly billed revenue for the first time in the previous 12-month period.
 - The threshold calculation takes into account revenue from all Microsoft channels, such as products transacted on Enterprise Agreement and Open licenses, as well as CSP transactions. If a customer TPID shows \$1,000 or more in monthly revenue over the previous 12-month period, across all sales channels, it would be ineligible for Customer Add payment consideration.
 - Alternatively, if a customer TPID shows less than \$1,000 in monthly revenue over the previous 12-month period, across all sales channels, it would be eligible for Customer Add payment consideration. In that scenario, once a customer’s monthly CSP revenue reaches \$1,000 or higher, for the first time in the previous 12-month period, Microsoft will reward the CSP partner that transacted the products which grew customer revenue over the threshold amount. The total monthly CSP revenue transacted by that partner, for that customer, is then applied to the 20% incentive rate for 12 months.
- **New Customer Growth (growth threshold):** Once a customer has met the initial threshold, partners can then earn additional one-time payments worth 20% of the ACV’s incremental revenue growth each time monthly billed revenue exceeds its previous highest total. Note that this incentive is paid quarterly, not monthly.

Accelerator Stage	Threshold	Earnings
New customer add	Customer achieves initial \$1,000 USD in monthly billed revenue	20% of total ACV
New customer growth	Each time monthly billed revenue exceeds its previous highest total	20% of ACV’s incremental revenue growth

Co-op

Partners participating in the incentive program will earn a portion of this incentive as co-op. These funds allow partners to perform specific marketing, demand generation, and readiness activities in accordance with the Partner Incentives Co-op Guidebook.

Local Accelerators

In addition to global incentives, Microsoft subsidiaries have the option to offer additional local accelerators.

A partner's eligibility to earn local accelerators is based on the partner's enrolled Partner Location Account MPN ID and is subject to the terms and conditions set forth by each local subsidiary. Eligible partners will receive local accelerator terms communicating the available accelerators in each subsidiary.

Eligible Revenue Activities

Eligible Licensing Programs

Microsoft products purchased through the following licensing programs are incentivized in this program:

- Cloud Solution Provider (CSP)

Indirect Channel Requirements

When provisioning a two-tier subscription in Partner Center, CSP Indirect Providers must provide a valid Partner Location Account MPN ID of the applicable CSP Indirect Reseller to whom they have sold Microsoft online services.

When provisioning a two-tier subscription using the Microsoft API, CSP Indirect Providers must include the Partner Location Account MPN ID of the applicable downstream CSP Indirect Reseller in the "partnerIDOnRecord" field.

In no case can the Indirect Reseller be controlled by, be a part of, or otherwise be an affiliate of the CSP Indirect Provider. If the CSP Indirect Provider does not include an accurate CSP Indirect Reseller Partner Location Account MPN ID identifying such CSP Indirect Reseller as the CSP Partner of Record, Microsoft will not calculate or pay incentives to the CSP Indirect Provider or the CSP Indirect Reseller.

Eligible Product Offers

Microsoft product availability may vary by region. The list of eligible products is subject to change at the discretion of Microsoft.

Products for which a partner may be eligible to earn for the incentive program are included in the applicable product addendum made available in the incentive asset collection page on the [Microsoft partner website](#). Partners will not be eligible to earn incentives related to products that are not intended to be included and/or not expressly set forth in the applicable product addendum. Microsoft reserves the right to update any product addendum at any time for any program.

Partners are only eligible to receive incentives for products sold or made available in the regions in which the partner is authorized.

Eligible Azure Consumption

Incentives are eligible for metered services that result in Microsoft revenue where the partner is associated at the subscription, resource group, or resource level.

Incentives are calculated based on the prices for Microsoft Azure Services effective during the earning period Microsoft Azure Services are consumed.

Ineligible Revenue Activities

Sales to Self

Partners are not eligible to receive or retain incentives for activity connected to a customer that is a partner affiliate or a customer that the partner owes agency of fiduciary duty. Should a partner receive payments relating to a partner affiliate or customer that the partner owes agency of fiduciary duty, the partner will promptly notify Microsoft and return any such payments or such payments shall be offset against future incentive payments.

Public Sector

Partners may not earn incentives for public sector customers if the customer resides in one of the restricted countries listed in the Public Sector Country Ineligibility List. The Public Sector Country Eligibility List can be found on the Microsoft Licensing Terms and Documentation website.

Ineligible Revenue

Microsoft will not pay incentives for activity on the following:

- Revenue from Exchange Lite subscriptions and other adjustments such as Internal Use Rights or trial seats are excluded.
- Revenue from Azure subscriptions using Azure Partner Shared Services is excluded.
- Not all Microsoft online services are available in all markets. New services and offers may be rolled out in new markets and current services and offers may be discontinued. As these service changes occur, customer consumption of Microsoft online services will also change, resulting in different incentive earnings for partners.
- Microsoft online services purchased by the partner or the partner's affiliates, or services belonging to Microsoft or Microsoft's affiliates, are not eligible for CSP incentives.
- These incentives are not offered to Partners based in or revenue originating from customers located in the People's Republic of China.

Ineligible Azure Consumption

Microsoft will not pay incentives for consumption activity on the following Microsoft Azure Services:

- Microsoft Azure Services that are not metered
- Microsoft Azure Services that are per user based
- Microsoft Azure Services that are trial offers or free services
- Microsoft Azure Services that are credited or refunded
- Microsoft Azure Support Services
- Microsoft Azure Services that do not consume monetary commitment
- Administrator Subscription for Microsoft Azure Infrastructure Resources

Ineligible Product Offers

Microsoft will not pay incentives for products provided to customers through non-revenue generating activities such as free trial offers or free services.

Ineligible Services

Microsoft will not pay incentives for support services, which includes, but is not limited to, support services provided by Microsoft Azure Support Services, Microsoft Consulting Services, Microsoft Unified Support, and Microsoft Premier Support.

Transaction Requirements

Reversed or Credited Transactions

Incentives earned for a transaction that has been reversed or credited will be reversed in line with the credit and will be reversed based on the Program Term rates at the time of the original transaction. This will be reflected in the earning statement for the period in which the reversal occurs.

Reversals are executed based on how the incentive was originally paid (for example, in-full versus deferred over time, or monthly versus annually).

If the reversed or credited transaction is rebilled, the incentive rate applied will depend on if the reversal was due to a Channel Partner error or a Non-Channel Partner error.

Channel Partner Error

If the reversed or credited transaction is a result of a Channel Partner error, the impact to the partner's incentive earnings will be calculated based on the Program Term rates in effect at the time of the reversal or credit.

Non-Channel Partner Error

If the reversed or credited transaction is a result of a Non-Channel Partner error, the impact to the partner's incentive earnings will be calculated based on the Program Term rates in effect at the time of the original transaction.

Negative Incentive Balance due to Reversed or Credited Transactions

In cases where a reversed or credited transaction results in a negative incentive balance, no new fees will be paid until the overall balance is positive again.

Definition of Public Sector

Public Sector is defined as government, healthcare, and education customers as set forth by the Government Eligibility documentation provided on the Microsoft Licensing Terms and Documentation website.

Change of Channel Partner

Microsoft approved changes to Partner structures will be assigned an "effective date," which indicates the date the partner begins earning (or in cases of removals, ceases to earn), within the incentive program.

Effective date timelines are driven by the date of communication by the partner to Microsoft, the circumstance creating the structure change, and Microsoft's ability to fully validate (which includes any required reviews and/or approvals) the proposed change before implementation.

If a Change of Channel Partner arises during the term of the Agreement, the future earnings and responsibility for the monthly customer maintenance and support activities will transition to the new Partner if the Partner

has met the eligibility and enrollment requirements set forth above. The Partner of Record at the time of the transaction will be eligible for the related incentive.

After a Change of Channel Partner, the new Partner of Record is responsible for completing all future monthly activities to service the customer, as described in this guide.

The new Partner of Record will be responsible for credits or adjustments after they become the Partner of Record.

Partner Payment Information

Payment Requirements

Incentive earning payments are made only to partners that have completed all program payment requirements. Payment requirements include partners maintaining complete and updated tax forms and bank account information in their Partner Center incentive program payment profile for each enrolled Partner Location Account MPN ID.

Should a partner fail to maintain accurate and complete payment profile information or fail to complete tax invoice documentation submission requirements, Microsoft will update their payment profile status in Partner Center to "Action Required" and hold the incentive payment for 180 days. After 180 days, partners will forfeit their incentive earnings if the required documentation has still not been provided.

Payment Types

Partners participating in the incentive program will earn global incentives as both rebate and co-op. Incentives earned from local accelerators are issued as rebate payments.

Co-op

During the earning period, Microsoft will calculate 60% of global incentive earnings to be paid as monthly rebate and 40% of global incentive earnings will be placed into a co-op fund to use for approved activities executed in the co-op usage period.

These funds allow partners to perform specific marketing, demand generation, and readiness activities in accordance with the Partner Incentives Co-op Guidebook.

Incentive	Rebate Split	Co-op Split
Global Incentives – Core incentives	60%	40%
Global Incentives – Azure Reservation and Subscription software	100%	-
Strategic Accelerators	60%	40%
Local Accelerators	100%	-

The co-op earning period is the six-month timeframe during which partners can earn rebates and co-op.

The co-op usage period refers to the six-months that immediately follow the earning period when partners perform co-op activities and submit claims.



If a partner's co-op earnings are below the threshold of \$4,000 USD in a co-op earning period, the co-op earnings will be converted to rebate at the end of the semester.

There is a forty-five (45)-day grace period after the end of the co-op usage period for partners to complete their claim submissions. Claims with a status of "Pending Proof of Execution," "Request More Proof," or "Action required" will be moved to a status of "Non-compliant" and a payment will not be processed.

Unsuccessful co-op claims and co-op funds not claimed by the conclusion of the grace period will be forfeited with no possibility of reinstatement.

Microsoft uses proof of execution data provided with the partners co-op claim to improve and develop internal tools and processes.

Payment Cadence

Payments for approved incentive earnings are issued monthly, within 45 days of the end of the applicable earning period.

Payments for co-op claims submitted and approved in Partner Center by the 15th calendar day of each month will be paid in the following payment cycle.

Payment Method

Microsoft's default payment method for the incentive program is wire transfer to the bank account identified by the partner in their Partner Center profile. If an alternative payment method is required, Microsoft will choose the method at its own discretion.

Foreign Exchange Conversion Rate

Microsoft's monthly foreign exchange rate is the mid-rate published by Thomson Reuters (typically) two days prior to the preceding month end at 4:00pm GMT.

Partners receive their incentives earning payments in the currency the partner selected in their Partner Center bank profile, even if different than the partner's transaction currency.

Minimum Payment Threshold

If a partner earns less than the minimum threshold of \$200 USD in an enrolled Partner Location Account MPN ID during an incentive earning period, the partner will not receive payment, and the incentive earnings will carry over to the following month. At the end of the Program Term, if unpaid incentive earnings remain below the minimum payment threshold, the earnings will be considered unearned and forfeited.

Overpayment

In the event of an overpayment of incentive earnings, Microsoft will notify the partner to discuss repayment options, which may include, at Microsoft's discretion, an adjustment to the partner's incentive payments for future incentive earning periods for a maximum period of 180 days, or direct return of the overpayment.

Payment Held for Compliance

Microsoft reserves the right to withhold or delay payment for compliance reviews and/or partner misconduct. Prior to cancelling or withholding payment, Microsoft will provide written notice to the partner.

Invoice Requirements

For countries with invoice submission requirements, partners will be notified that tax invoice submission is required to claim their incentive earnings. Information required on the invoice and instructions will be communicated at each payment cycle.

Microsoft will hold incentive payments until a partner submits a partner invoice to Microsoft, which acts as an incentive claim. Once the partner invoice is received, Microsoft will validate the information provided prior to processing a partner's incentive earning payment.

China – Country Specific Requirements for Azure

These incentives are not offered to Partners based in or revenue originating from Customers located in the People's Republic of China.

Disputes and Resolution

Partners have 90 days to dispute reported incentive earnings and any Microsoft decision to reduce, cancel or withhold incentives.

All payment disputes must be submitted in writing to Microsoft within 90 days after your receipt of the applicable incentive payment.

Partners should submit disputes to the program support alias outlined in the Support and Resource section of this guide.

Support and Resources

Support Channels

- For support, there are Incentives FAQs and links to relevant self-help articles available within the [Partner Center](#) support experience. If additional assistance is needed, you can create a support ticket within the Incentives Online Support Experience on [Partner Center](#).
- If you are experiencing difficulties signing into your Partner Center Account, additional assistance can be found [here](#).
- Step by step guidelines to access Incentives support are available [here](#).

Useful links

Microsoft partner website: <https://partner.microsoft.com>

Incentives page on the partner website: <aka.ms/partnerincentives>

Partner Center incentives resources [asset collection](#) on the partner website

Partner Center: <https://partner.microsoft.com/dashboard>

Public Sector – Microsoft Licensing Terms and Documentation [website](#)

Resources

Co-op-eligible activities must meet the requirements as defined in the Co-op Guide and creative materials may be submitted for pre-approval by email at commpre@microsoft.com before they are performed.

Attachment 1: Customer Add Accelerators

Modern Work & Security example scenarios

		FY20				FY21			
		MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
Growth scenario	Customer billed monthly revenue	0	100	100	100	100	250	1000	1500
	Incentive earning	-	-	-	-	-	25	100	150
Dropped earning scenario	Customer billed monthly revenue	0	0	100	100	100	300	150	500
	Incentive earning	-	-	-	-	-	30	0	50

Growth scenario: the customer account reaches \$250 in billed revenue in August, triggering the first incentive payout. ($\$250 \times 10\% = \25) The following month, the customer adds additional seats, increasing billed revenue to \$1,000, triggering a higher incentive payout. ($\$1,000 \times 10\% = \100) Then in October, the customer adds still more seats, increasing billed revenue to \$1,500, triggering an even higher incentive payout. ($\$1,500 \times 10\% = \150)

Dropped earning scenario: the customer account surpasses \$250 in billed revenue in August, triggering the first incentive payout. ($\$300 \times 10\% = \30) The following month, the customer removes seats, decreasing billed revenue to \$150, which is below the earning threshold. Therefore, no additional incentive is calculated or paid. Then in October, the customer adds seats, surpassing the threshold again and triggering another incentive payout. ($\$500 \times 10\% = \50)

Business Applications example scenarios

	FY21Q1			FY21Q2			FY21Q3			FY21Q4			FY22Q1		
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
Customer billed monthly revenue (USD)	0	500	500	1k ¹ earn	1k	3k	3k* ³ earn	3k	4k* ⁵ earn	2k ⁷	3k ⁸	4.5k* ⁹ earn	4.5k	4.4k	4.5k
Inventive earning (USD)	0	0	0	0	0	2.4k ² pay	0	0	4.8k ⁴ pay	0	2.4k ⁶ pay	0	0	1.2k ¹⁰ pay	0

* New highest total

- In October, a customer meets the New Customer Add criteria in October by generating \$1,000 USD in monthly billed revenue (\$12,000 USD ACV).
- In December, the partner is paid a New Customer Add accelerator incentive of \$2,400 USD, or 20% of the \$12,000 USD ACV.
- The customer adds seats in January and reaches \$3,000 USD in monthly billed revenue, setting a new previous highest total and triggering a New Customer Growth accelerator incentive payment.
- In March, the partner is paid an incentive of \$4,800 USD, or 20% of the ACV's incremental revenue growth. $((\$3,000 - \$1,000) * 12) * .2 = \$4,800$.
- The customer adds seats in March and reaches \$4,000 USD in monthly billed revenue, setting a new previous high total and triggering a New Customer Growth accelerator incentive payment.
- In May, the partner is paid an incentive of \$2,400 USD, or 20% of the ACV's incremental revenue growth. $((\$4,000 - \$3,000) * 12) * .2 = \$2,400$.
- The customer removes seats in April and drops to \$2,000 USD in monthly billed revenue.
- The customer adds seats in May and returns to \$3,000 USD in monthly billed revenue, which does not set a new previous high total and does not qualify for a New Customer Growth incentive.
- The customer adds seats in June and reaches \$4,500 USD in monthly billed revenue, setting a new previous highest total and triggering a New Customer Growth accelerator incentive payment.
- In August, the partner is paid an incentive of \$1,200 USD, or 20% of the ACV's incremental revenue growth. $((\$4,500 - \$4,000) * 12) * .2 = \$1,200$.