



Microsoft

Set Up Copilot Pay-as-You-Go Billing for Chat and Cowork

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Microsoft's latest wave of AI innovation is changing how billing traditionally works for MSPs. Copilot Chat, Copilot Cowork, and AI agents are now powered by a pay-as-you-go model based on Copilot Credits. Instead of purchasing additional licenses for every new AI capability, customers purchase a monthly bank of credits. Credits are then deducted based on usage and outcome, with more complex or resource-intensive requests consuming more credits. This update creates a more flexible way to adopt advanced AI scenarios while giving MSP's control over cost and scale.

As your trusted Marketplace and AI solutions provider, Pax8 has consolidated the steps to set up pay-as-you-go billing (PAYGO) for Copilot Chat, SharePoint AI agents, and Copilot Cowork. This guide will also walk you through granting your GDAP group rights to the customer's Azure subscription so that you can manage them via GDAP/AOBO going forward.

Before going through this guide, verify that the Global Admin account on the customer tenant with this same Global Admin account has Owner rights to the target Azure subscription. If the account does not have this, please use this guide to complete the process of self-escalating to a Global Admin.

This guide will walk you through setting up PAYGO billing for:

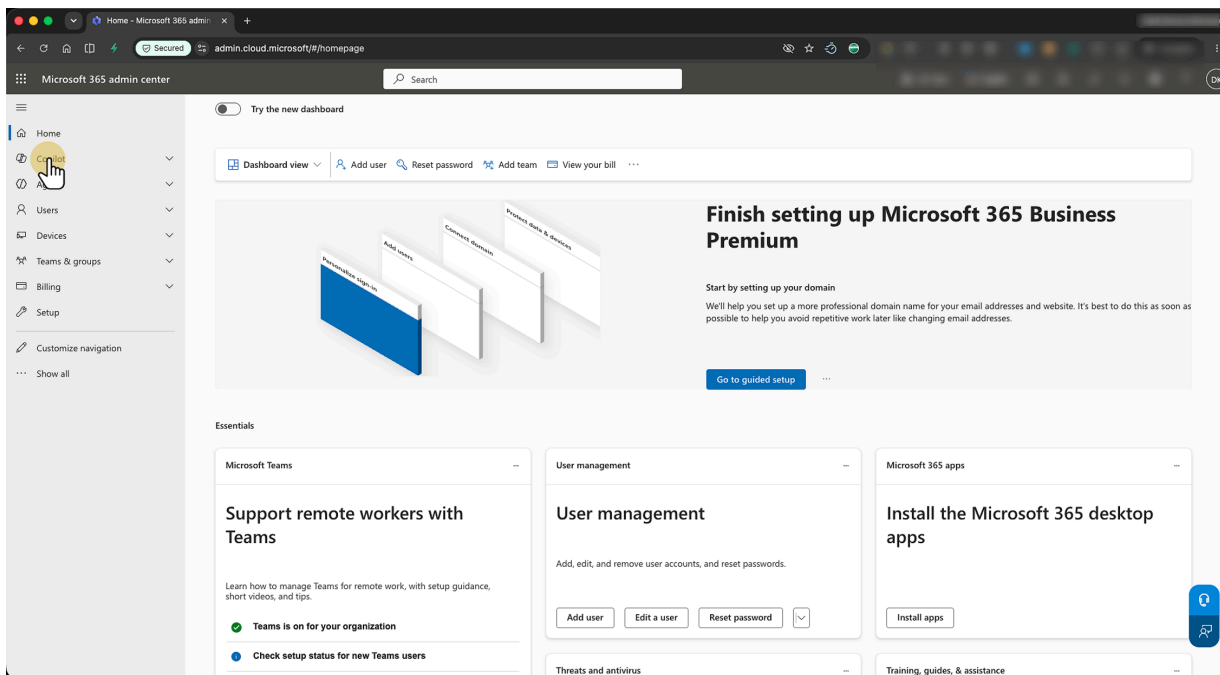
- Copilot Chat
- SharePoint Agents (if desired)
- Copilot Cowork

It will also walk you through granting your GDAP group rights to the customer's Azure subscription so that you can manage them via GDAP/AOBO going forward.

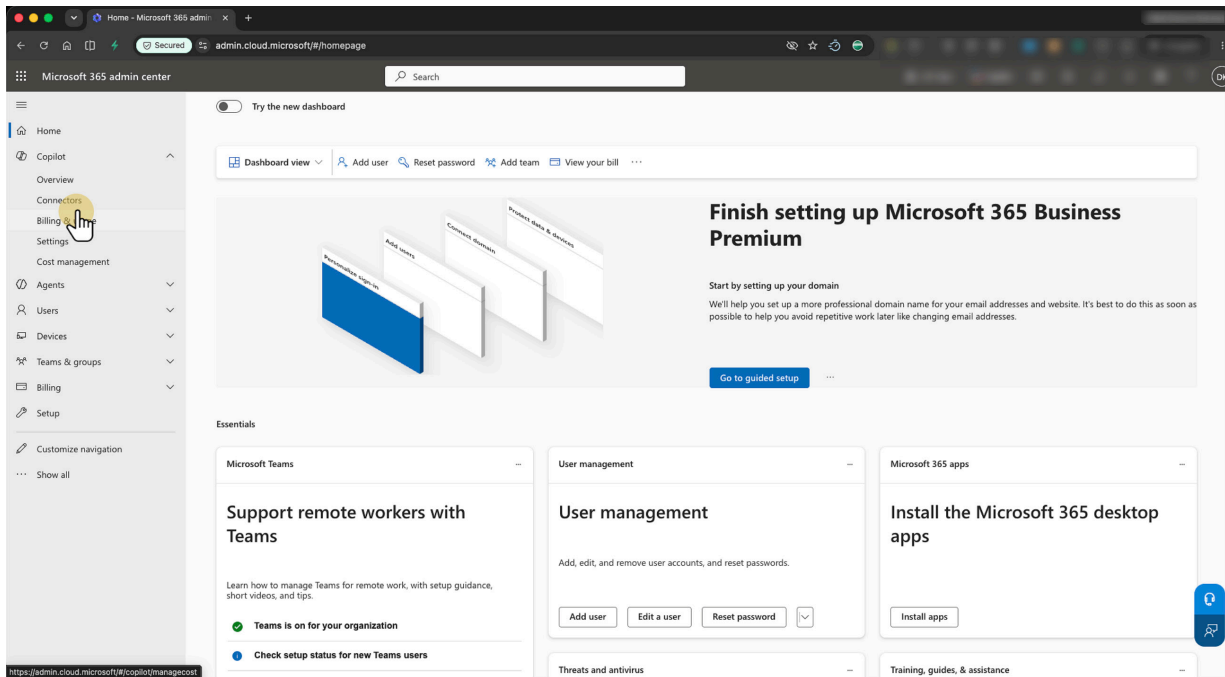
1. Login as a Global Admin

Login to the [Microsoft Admin Center](#) with a Global Admin Account that is part of your customer's tenant.

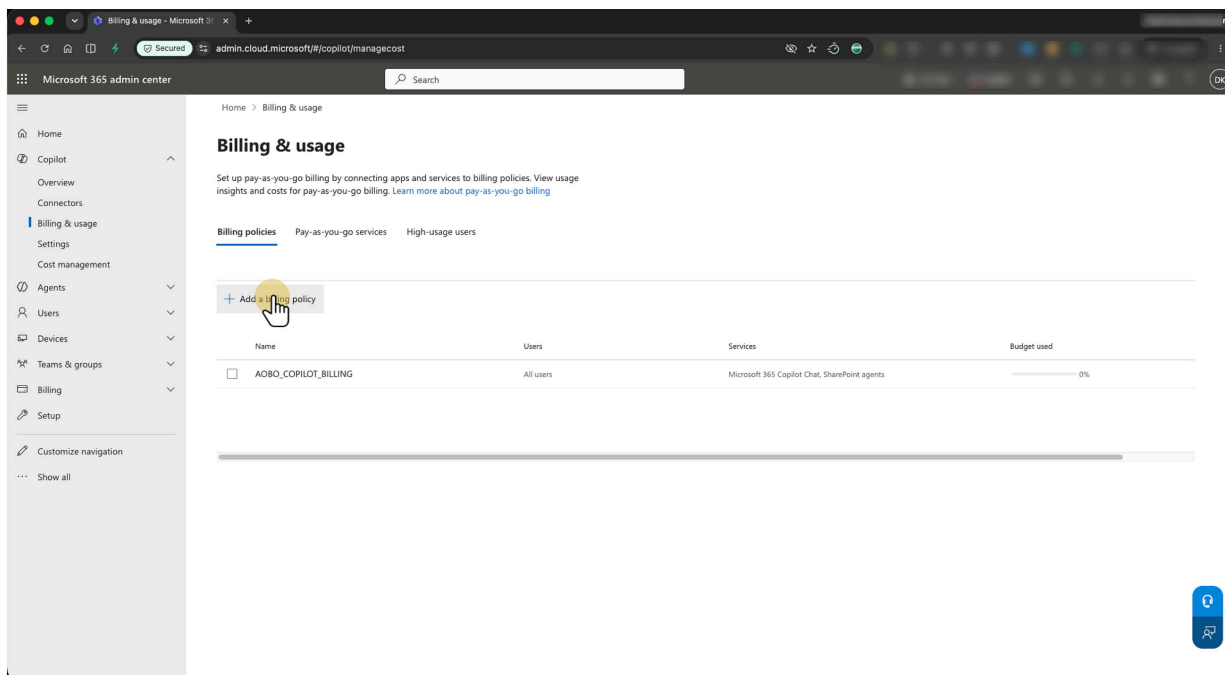
2. Click "Copilot"



3. Click “Billing & usage”



4. Click “Add a billing policy”



5. Choose a Name

The screenshot shows the 'Add billing policy' wizard in the Microsoft 365 admin center. The left sidebar shows the progress: 'Billing details' (selected), 'Choose users', 'Budget', and 'Review and finish'. The main content area is titled 'Billing details' and includes the following sections:

- Billing details:** A text box for 'Name' with a placeholder 'Type a policy name'. A yellow circle and a hand icon point to this field.
- Subscription details:** A dropdown menu for 'Subscription' with the placeholder 'Select or type subscription name'. Below it is a link 'Create a new subscription'.
- Resource group:** A dropdown menu for 'Resource group' with the placeholder 'Select resource group'. Below it is a link 'Create a new resource group'.
- Region:** A dropdown menu for 'Region' with the placeholder 'Select region'.
- Terms of service:** A section with links for 'Pay-as-you-go billing terms of service' and 'Privacy statement'.

At the bottom, there are 'Next' and 'Cancel' buttons. A blue 'OK' button is visible in the top right corner of the browser window.

6. Select the Azure Subscription you wish to use for Copilot usage billing

This screenshot is similar to the previous one, but it shows the 'Subscription' dropdown menu in the 'Subscription details' section. A yellow circle and a hand icon point to the dropdown arrow, indicating the user should select a subscription. The 'Name' field now contains the text 'My Billing Policy'.

7. Select a resource group for billing

The screenshot shows the 'Billing & usage > Add billing policy' page in the Microsoft 365 admin center. The left sidebar contains a progress indicator with four steps: 'Billing details' (selected), 'Choose users', 'Budget', and 'Review and finish'. The main content area is titled 'Billing details' and includes the following sections:

- Name ***: A text input field containing 'My Billing Policy'.
- Subscription details**: A section with the instruction 'Choose a subscription and resource group for this policy. You must have the Owner or Contributor role for the Azure subscription and resource group you want to use.' It includes:
 - Subscription ***: A dropdown menu showing 'ISC Team Test/Demo Azure Sub'.
 - Resource group ***: A dropdown menu with the placeholder 'Select resource group'. A yellow callout bubble with a hand icon points to this field.
 - Region ***: A dropdown menu with the placeholder 'Select region'.
- Terms of service**: A section with the instruction 'Read the terms of service, privacy statement, and pricing details.' and links for 'Pay-as-you-go billing terms of service' and 'Privacy statement'.

At the bottom of the form, there are 'Next' and 'Cancel' buttons. A blue 'OK' button is visible in the top right corner of the browser window.

8. Select the region for billing

This screenshot is identical to the one above, showing the 'Billing details' step of the 'Add billing policy' wizard. The 'Resource group' dropdown is now populated with 'copilot-credits-rg'. The 'Region' dropdown, which was previously empty, is now highlighted with a yellow callout bubble and a hand icon, indicating the next step in the process. The 'Next' and 'Cancel' buttons remain at the bottom.

9. Review and agree to the terms

Billing & usage > Add billing policy

Billing details

- Choose users
- Budget
- Review and finish**

Billing policies connect Microsoft 365 pay-as-you-go services to an Azure subscription for billing. Create multiple policies if you need to use multiple subscriptions.

Name *
My Billing Policy

Subscription details
Choose a subscription and resource group for this policy. You must have the Owner or Contributor role for the Azure subscription and resource group you want to use.

Subscription *
ISC Team Test/Demo Azure Sub
[Create a new subscription](#)

Resource group *
copilot-credits-rg
[Create a new resource group](#)

Region * ⓘ
East US

Terms of service
Read the terms of service, privacy statement, and pricing details.
[Pay-as-you-go billing terms of service](#)
[Privacy statement](#)

☐ I accept the pay-as-you-go billing terms of service

Next Cancel

10. Click “Next”

Billing & usage > Add billing policy

Billing details

- Choose users
- Budget
- Review and finish**

Billing policies connect Microsoft 365 pay-as-you-go services to an Azure subscription for billing. Create multiple policies if you need to use multiple subscriptions.

Name *
My Billing Policy

Subscription details
Choose a subscription and resource group for this policy. You must have the Owner or Contributor role for the Azure subscription and resource group you want to use.

Subscription *
ISC Team Test/Demo Azure Sub
[Create a new subscription](#)

Resource group *
copilot-credits-rg
[Create a new resource group](#)

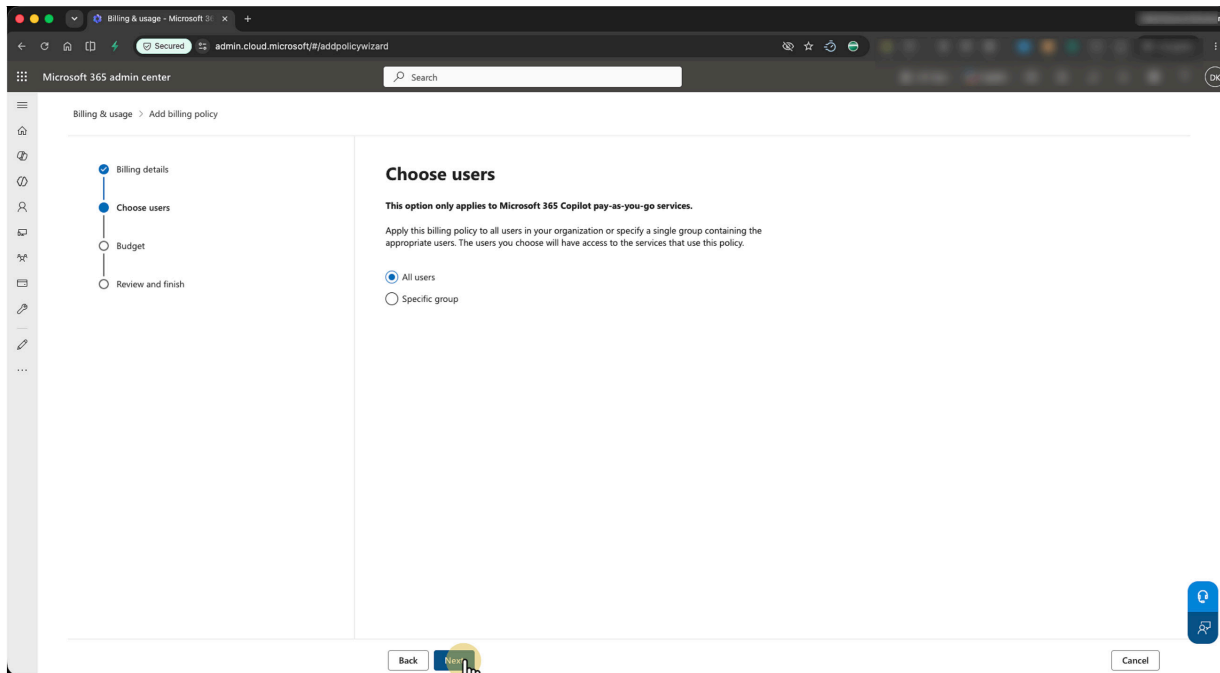
Region * ⓘ
East US

Terms of service
Read the terms of service, privacy statement, and pricing details.
[Pay-as-you-go billing terms of service](#)
[Privacy statement](#)

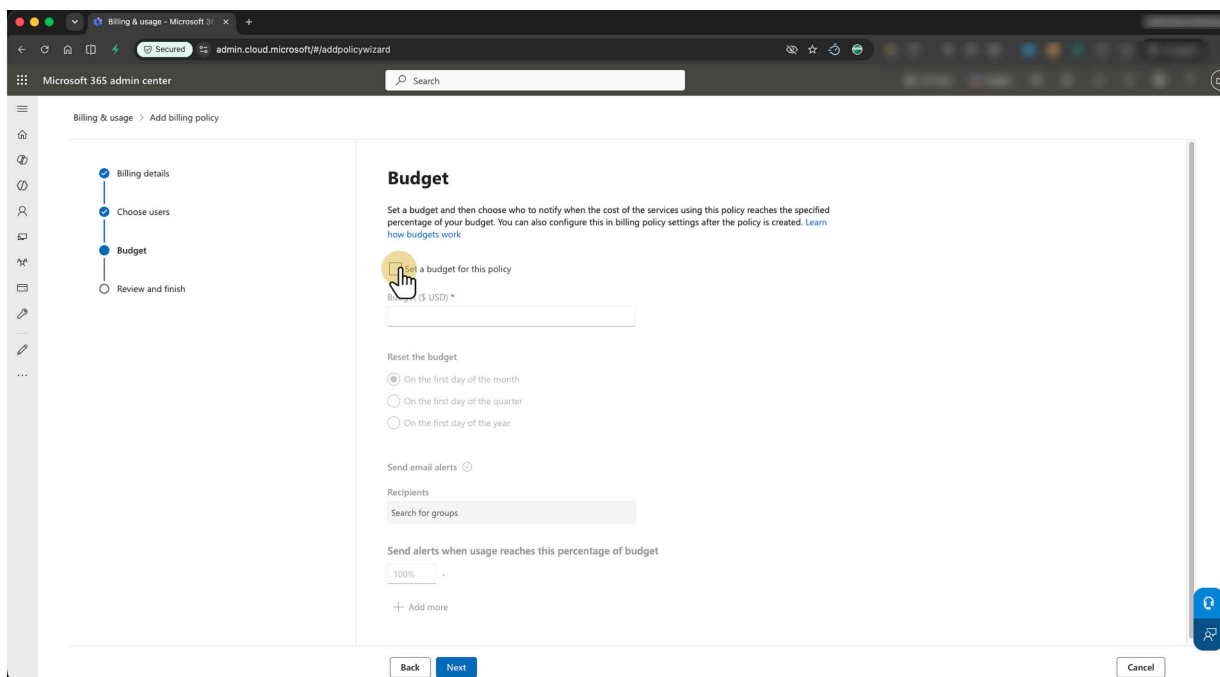
☒ I accept the pay-as-you-go billing terms of service

Next Cancel

11. Choose all users or specific groups



12. If desired, set a budget



13. Click “Next”

The screenshot shows the 'Add billing policy' wizard in the Microsoft 365 admin center. The left sidebar shows the progress: Billing details, Choose users, Budget (current step), and Review and finish. The main content area is titled 'Budget' and contains the following sections:

- Set a budget for this policy:** A checkbox that is checked. Below it, a text input field for 'Budget (\$ USD) *' has the value '100'.
- Reset the budget:** Three radio button options: 'On the first day of the month' (selected), 'On the first day of the quarter', and 'On the first day of the year'.
- Send email alerts:** A section with a 'Recipients' search box and a 'Send alerts when usage reaches this percentage of budget' section with a slider set to 100% and a value of \$100.00. There is an '+ Add more' link below.

At the bottom, there are 'Back', 'Next' (highlighted with a yellow circle and a hand cursor), and 'Cancel' buttons. A blue 'OK' button is also visible on the right side of the panel.

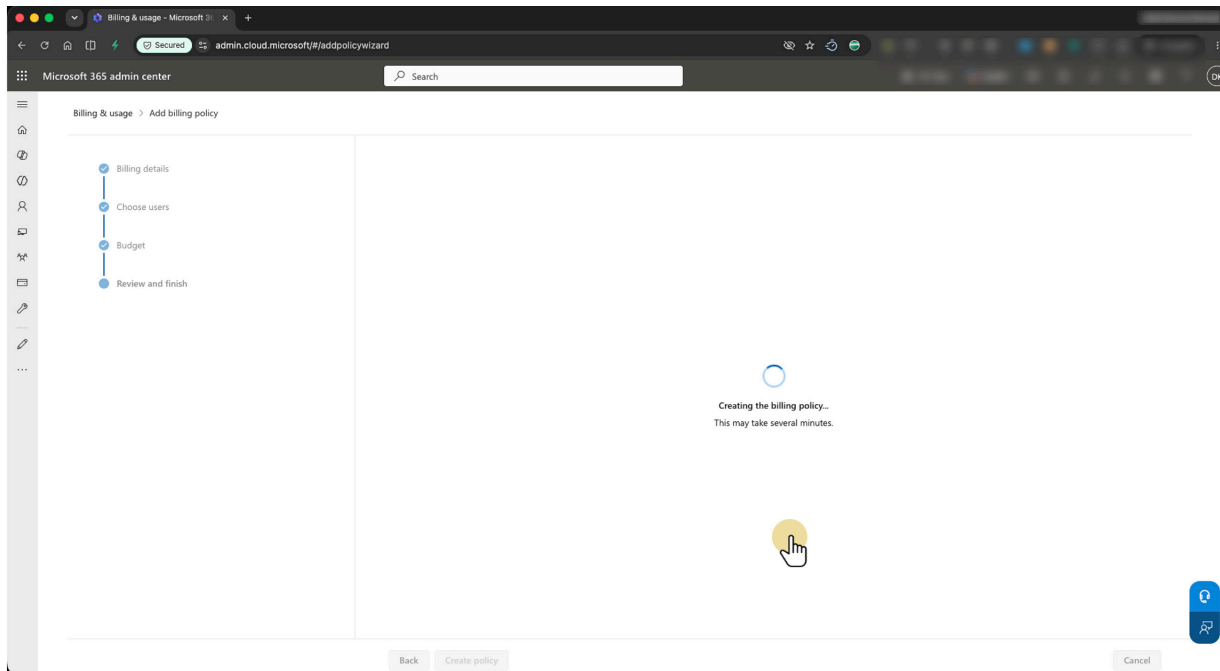
14. Click “Create policy”

The screenshot shows the 'Review and create policy' step of the 'Add billing policy' wizard. The left sidebar shows the progress: Billing details, Choose users, Budget, and Review and finish (current step). The main content area is titled 'Review and create policy' and contains the following sections:

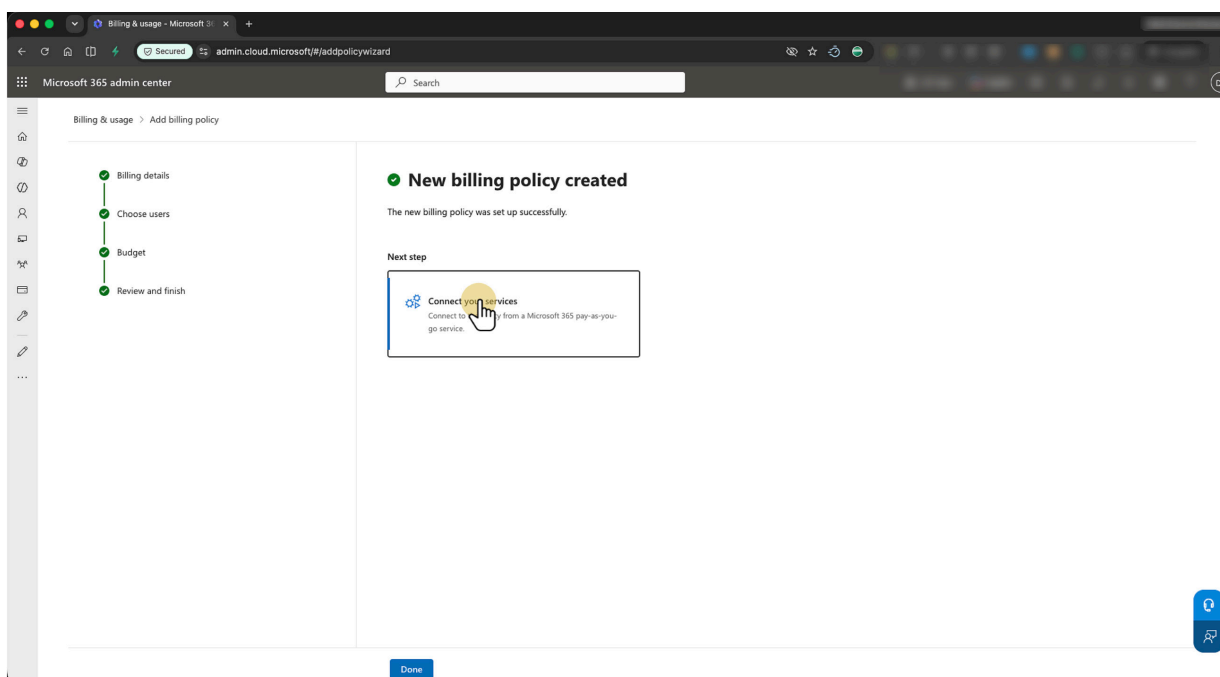
- Policy name:** 'My Billing Policy' with a link to 'Edit policy name'.
- Azure subscription:** 'ISC Team Test/Demo Azure Sub' with a link to 'Edit Azure subscription'.
- Resource group:** 'copilot-credits-rg' with a link to 'Edit resource group'.
- Region:** 'East US' with a link to 'Edit region'.
- Users:** 'All users' with a link to 'Edit users'.
- Budget details:** '\$100.00' with a link to 'Edit budget'.

At the bottom, there are 'Back', 'Create policy' (highlighted with a yellow circle and a hand cursor), and 'Cancel' buttons. A blue 'OK' button is also visible on the right side of the panel.

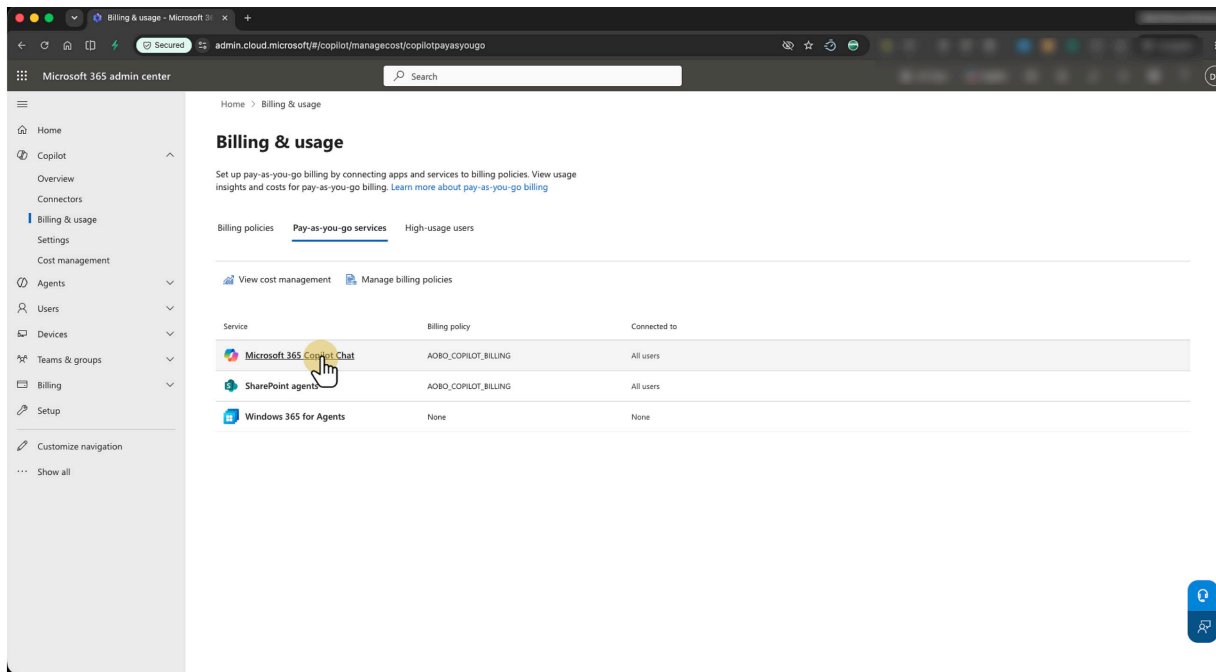
15. Wait for the policy to create



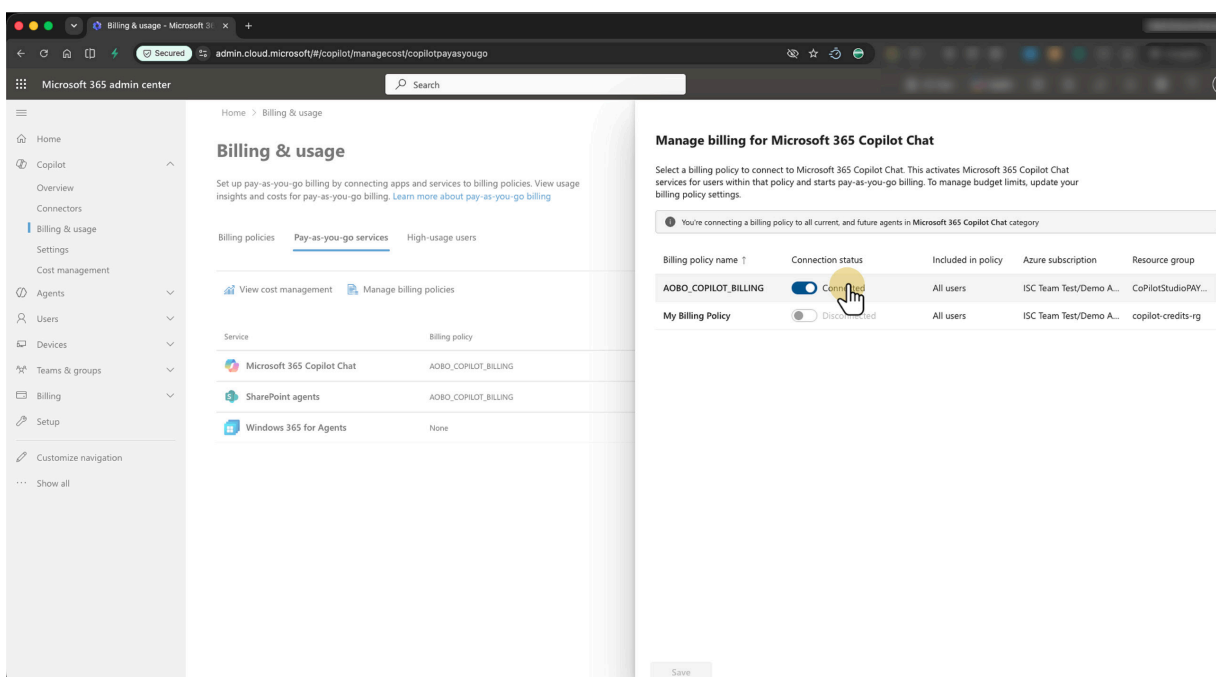
16. Click “connect your services”



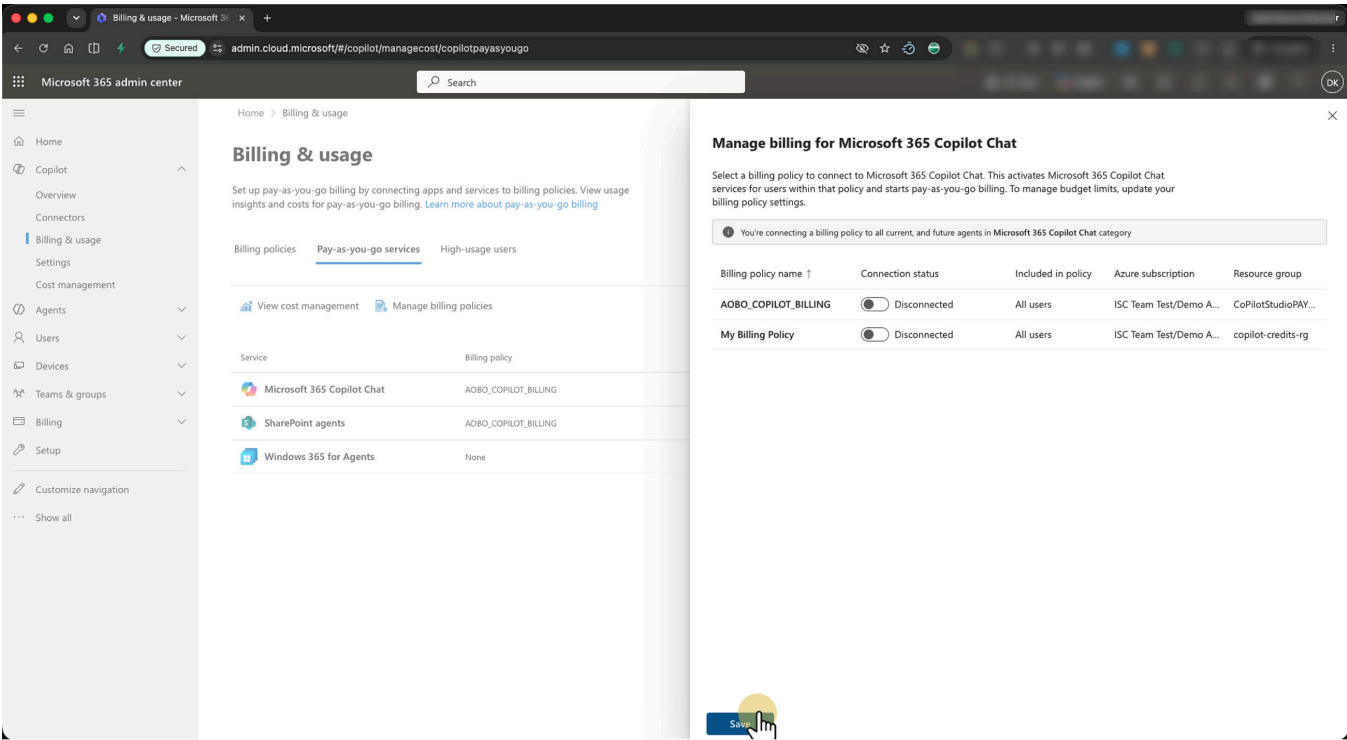
17. Select the services you wish to connect to your new billing policy



18. Toggle the switch next to the appropriate billing policy



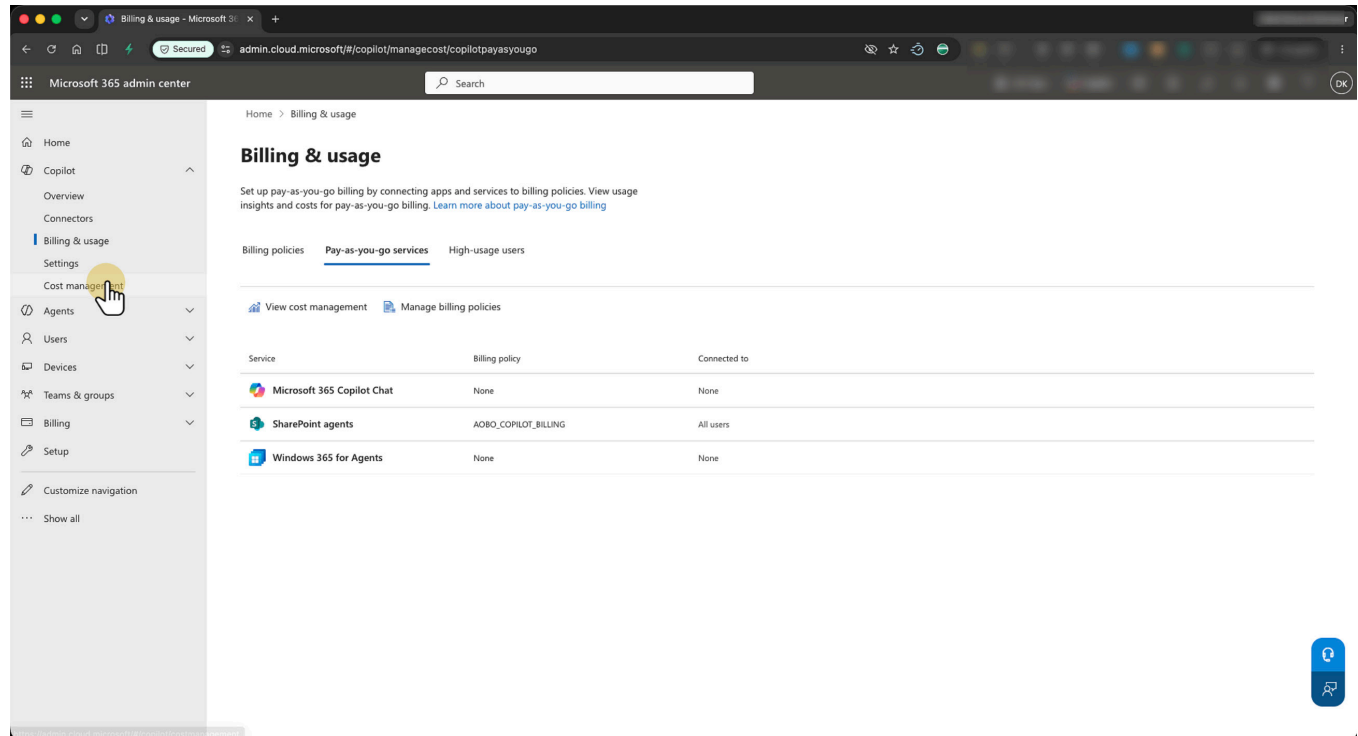
19. Click “Save”



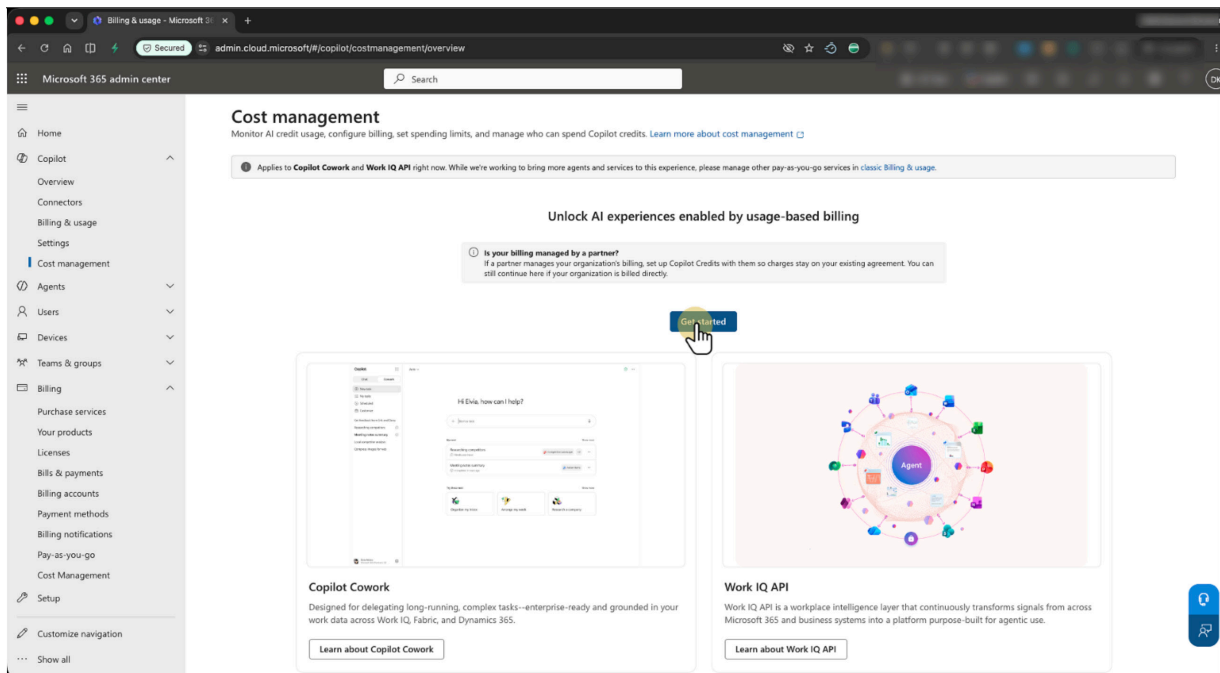
Enable Copilot Cowork

These steps will enable usage-based Copilot Cowork billing.

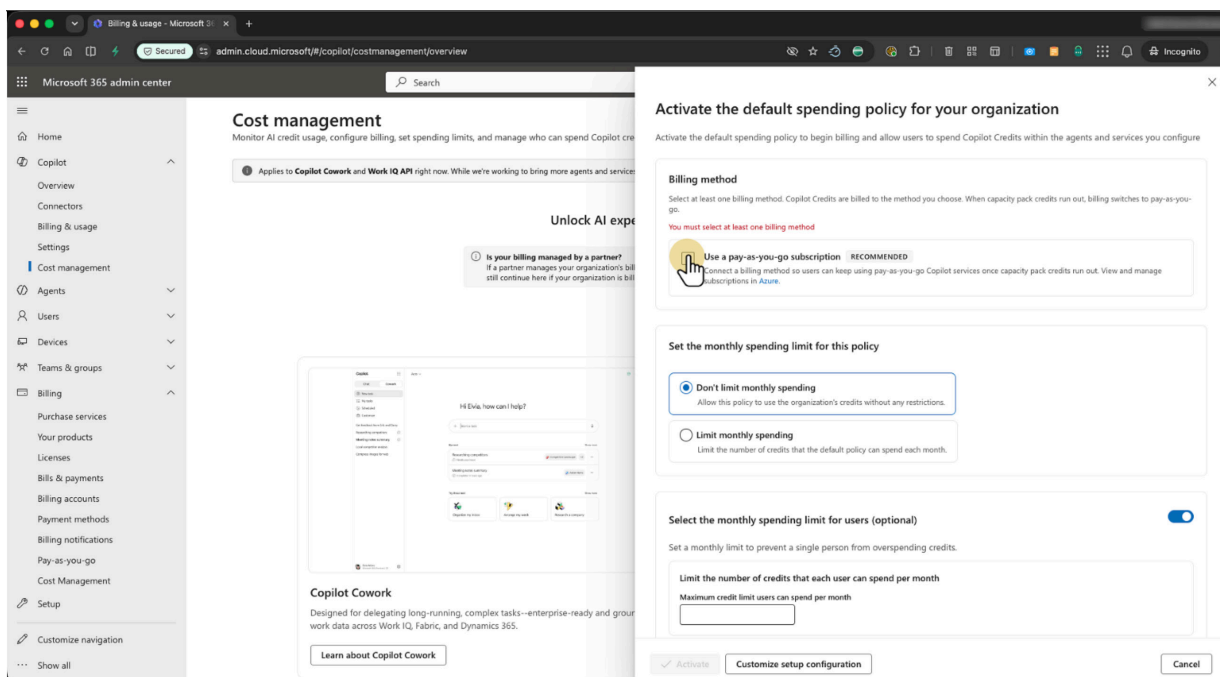
20. Click “Cost management”



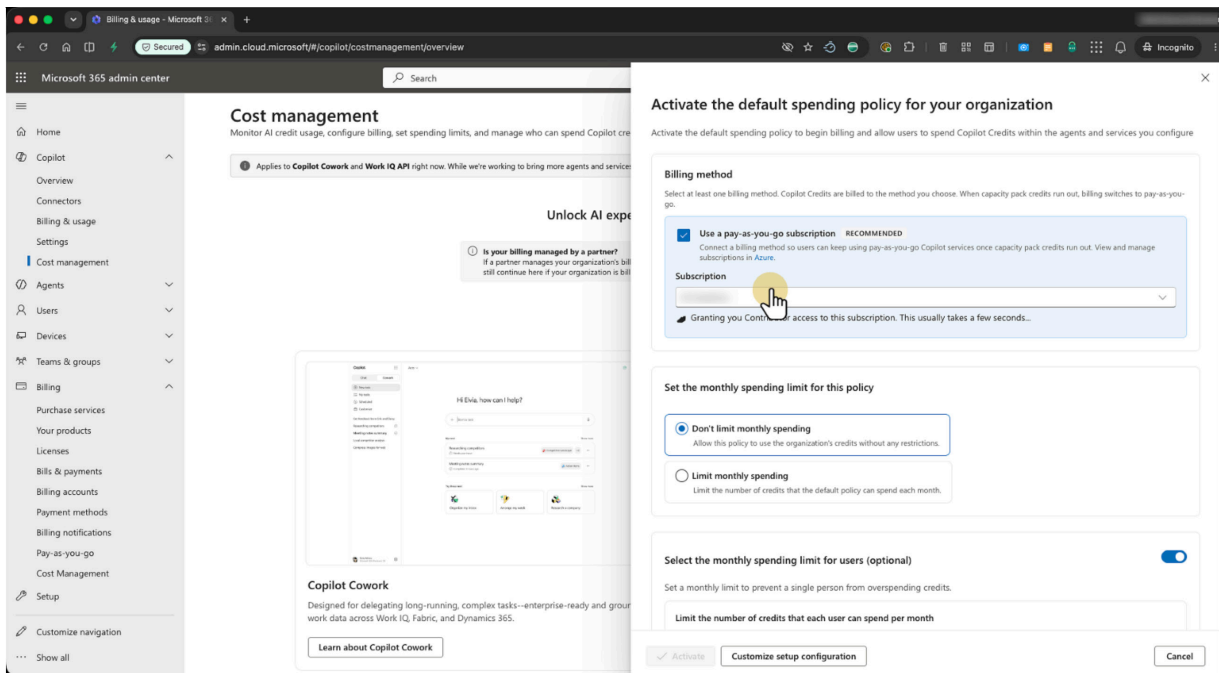
21. Click “Get started”



22. Check the box to use a pay-as-you-go subscription

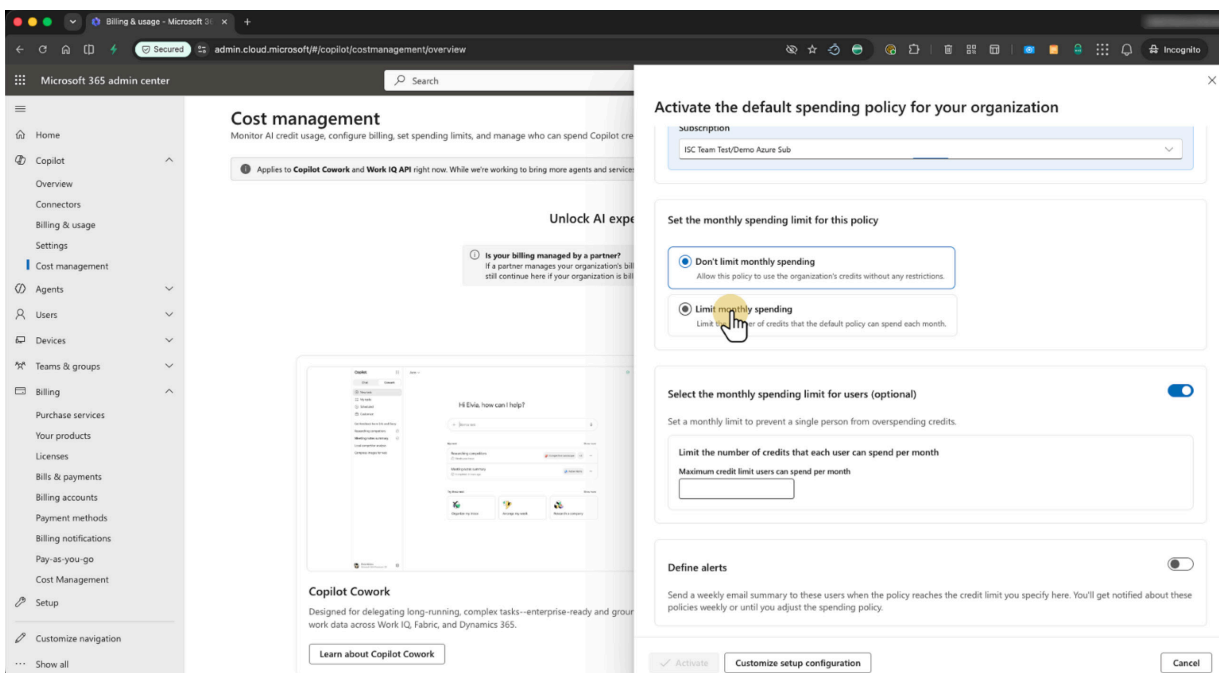


23. Select the Azure subscription you wish to use



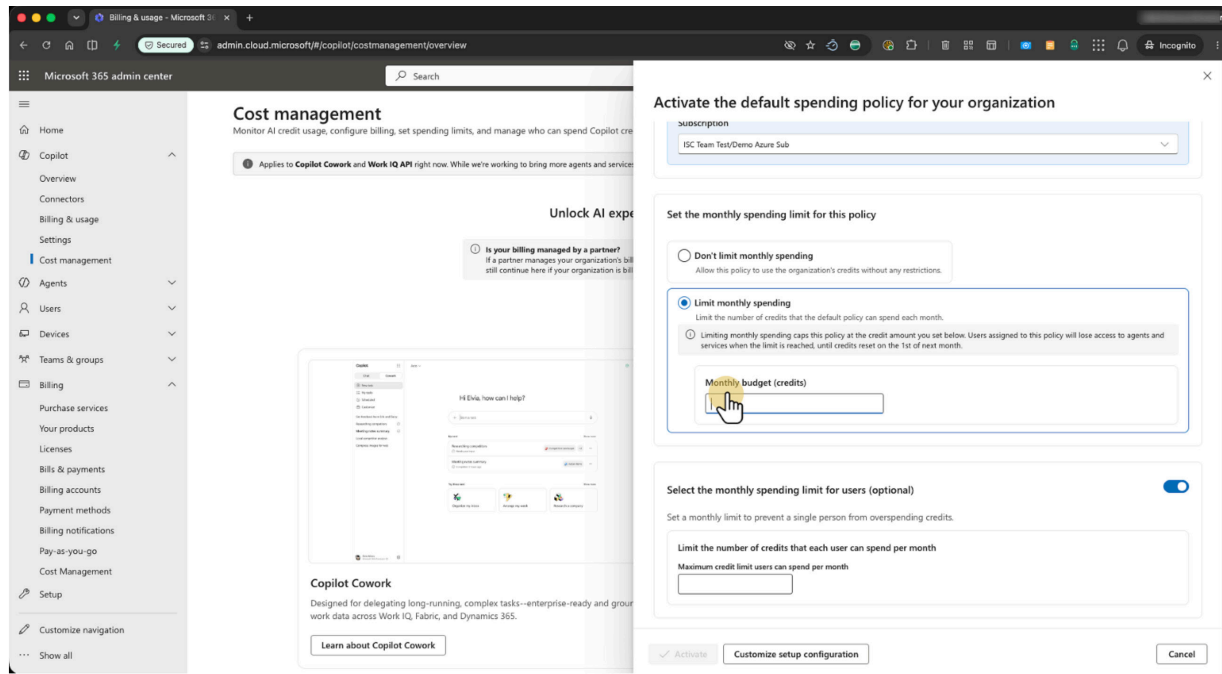
24. Select "Limit monthly spending"

We strongly recommend that you limit spending to avoid surprise bills.



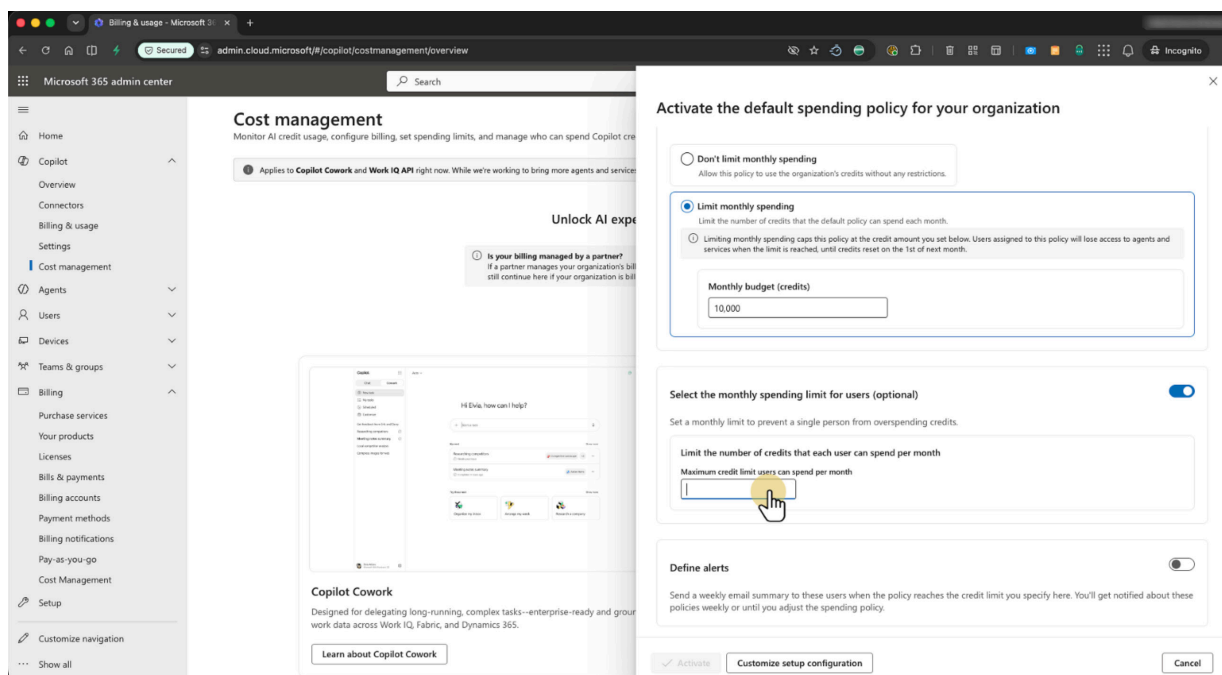
25. Enter the total limit of credits you wish to allow per

This limit applies to the whole tenant.



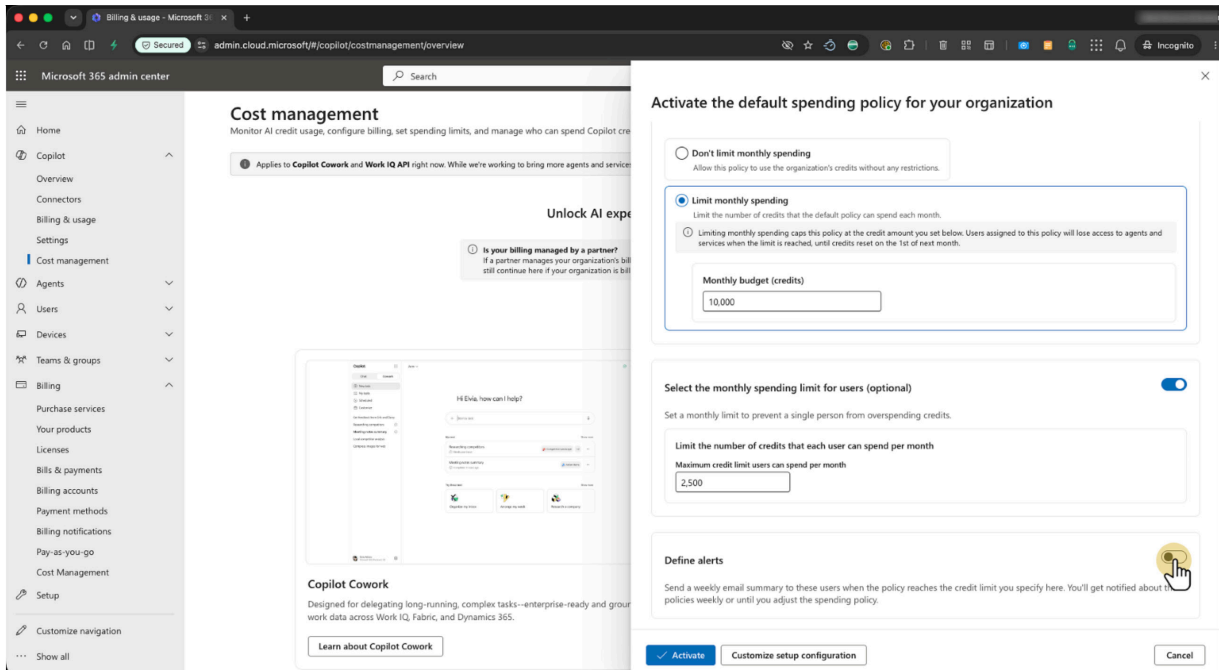
26. Set the per user limit

This sets how many credits an individual user can consume per month.



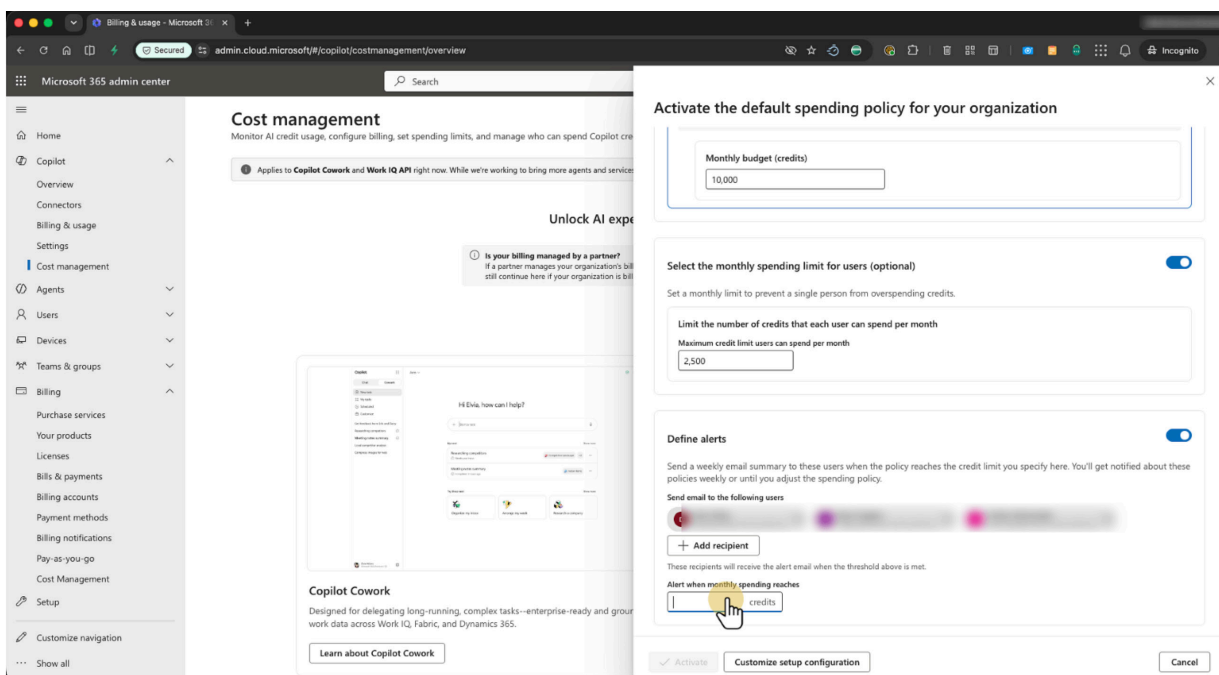
27. If desired, define alert policies month

This will send alerts to selected recipients at defined usage levels.

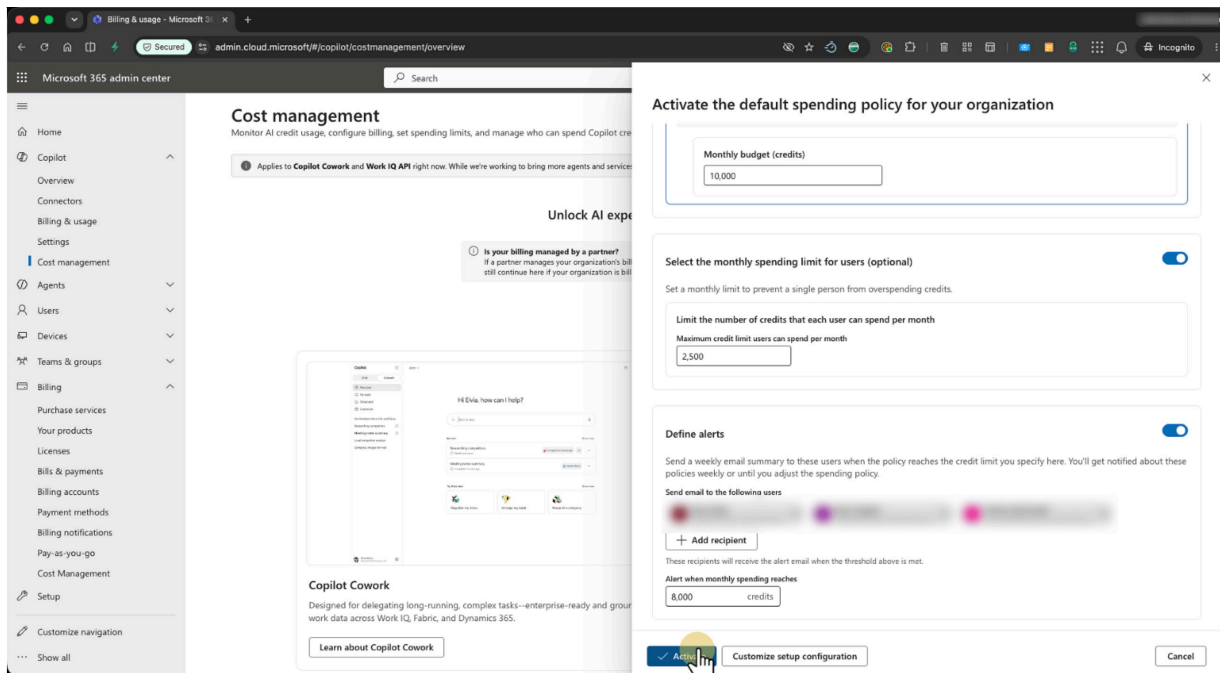


28. Configure alerts

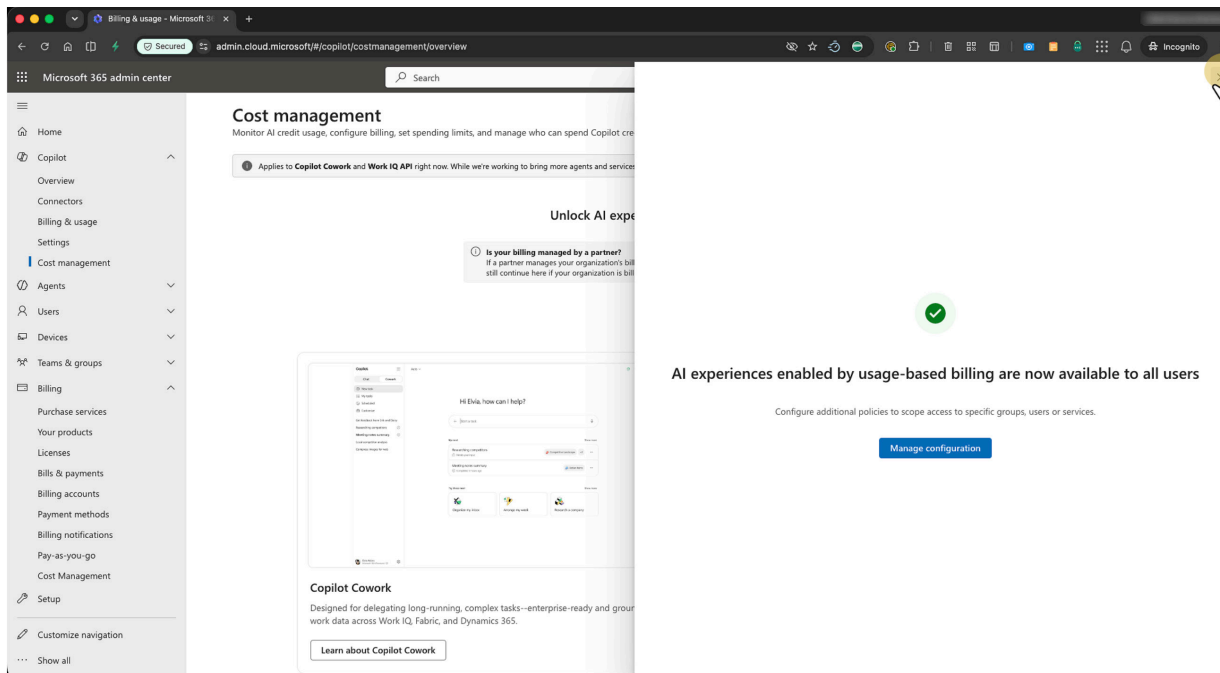
Add the recipients you'd like to include and select at which consumption level the alert is sent.



29. Click “Activate”



30. Click the “X” to close



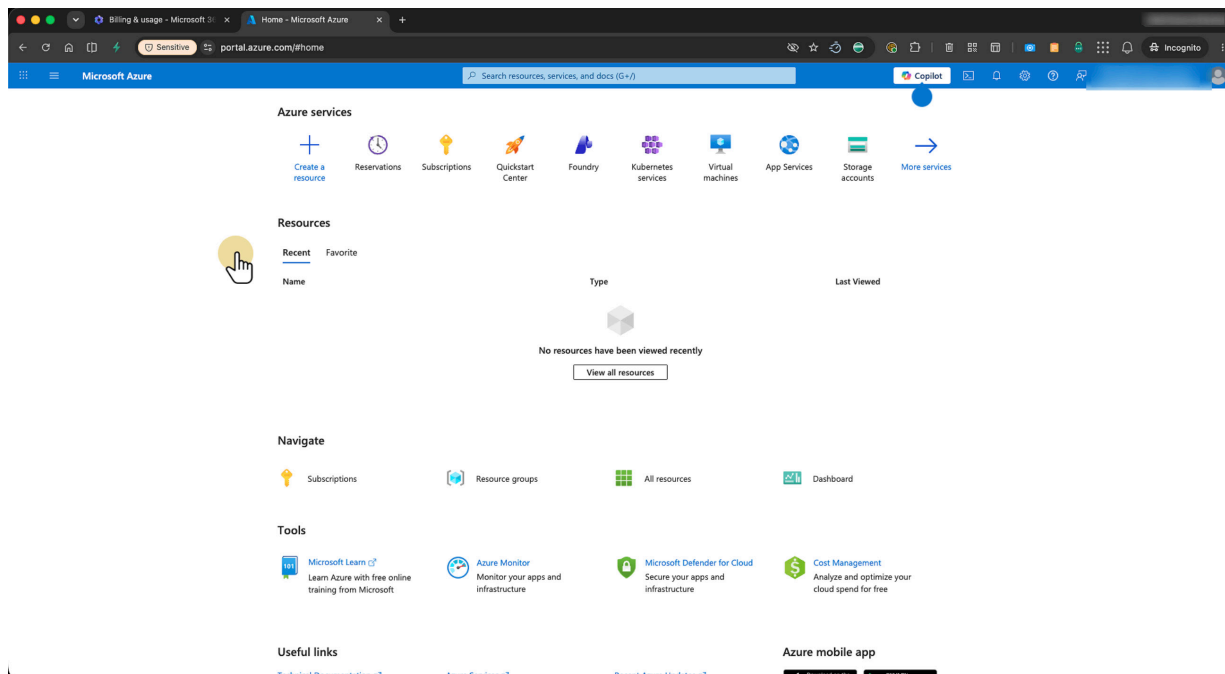
Enable Admin on Behalf of For Azure

In this step, we will add your GDAP group to Azure IAM, enabling you to manage the customer's Azure subscription(s) through GDAP/AOBO links moving forward.

You will need: The Group ID of your Admin Agents group, or the group you've selected for this GDAP relationship.

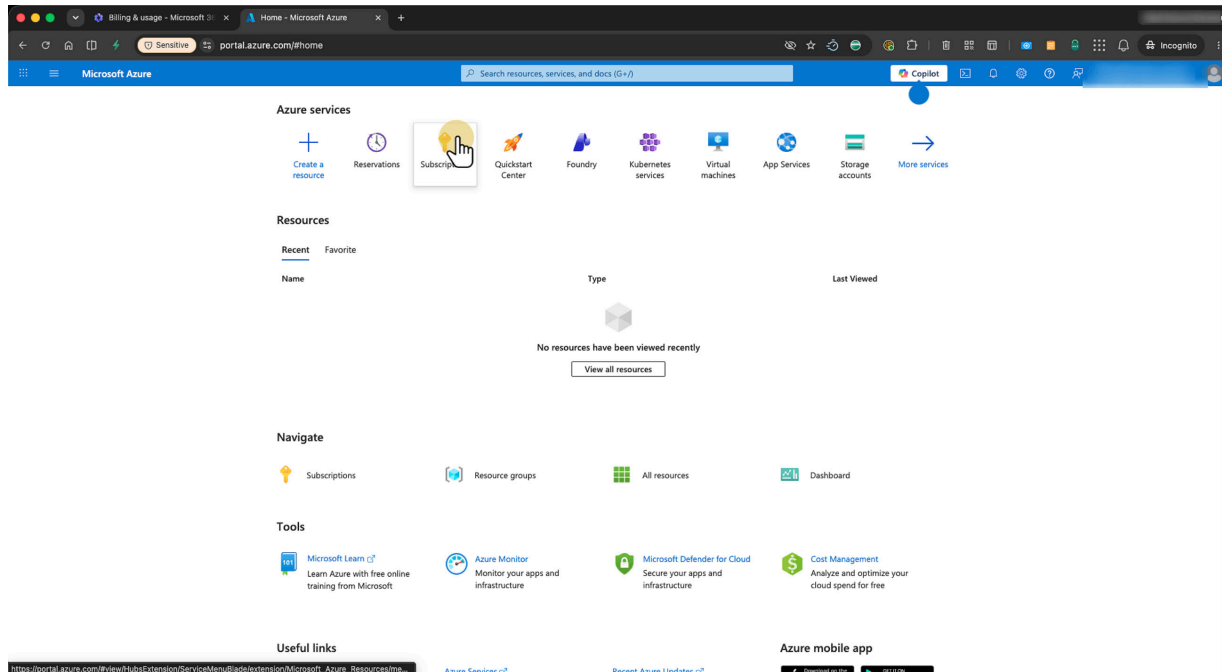
31. Login to the Azure Management Portal

Authenticate to the [Azure Portal](#) with your client's Global Admin account.

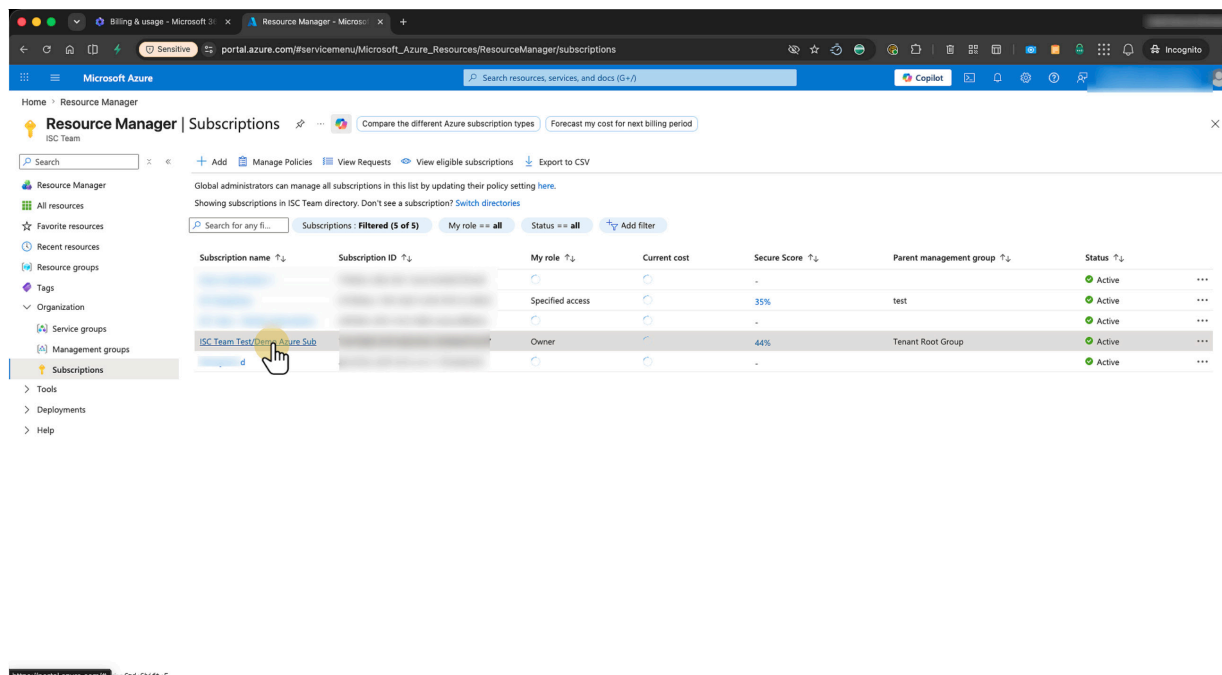


32. Click “Subscriptions”

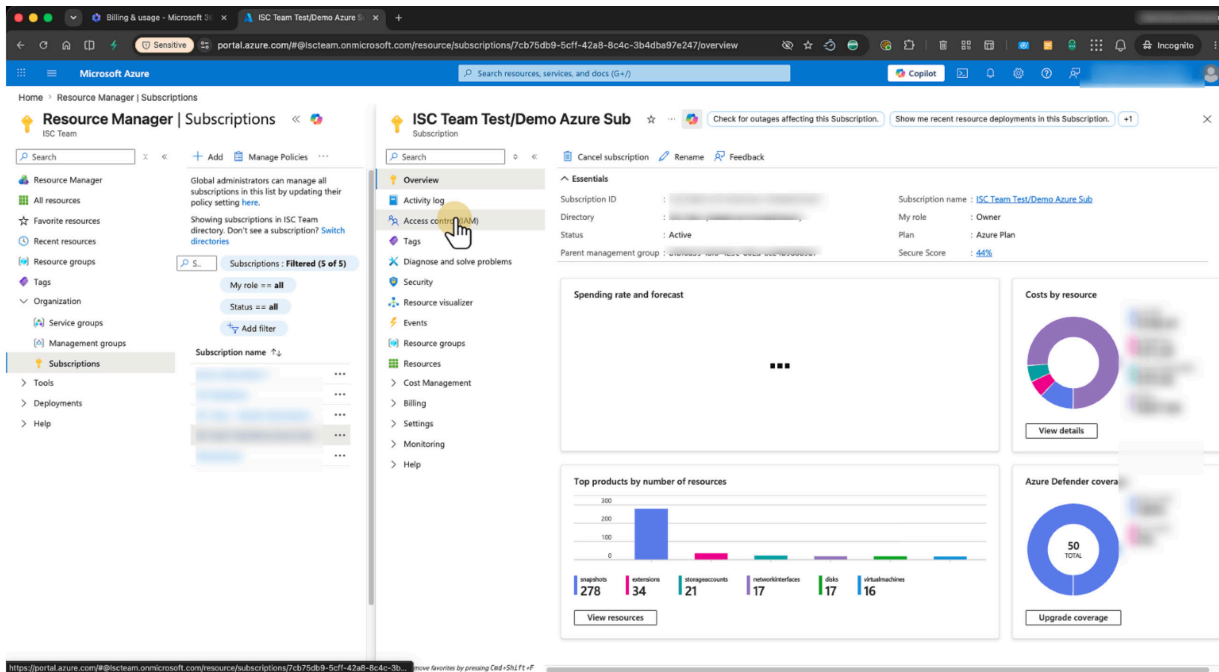
If you do not see Subscriptions, use the search at the top of the screen to find it.



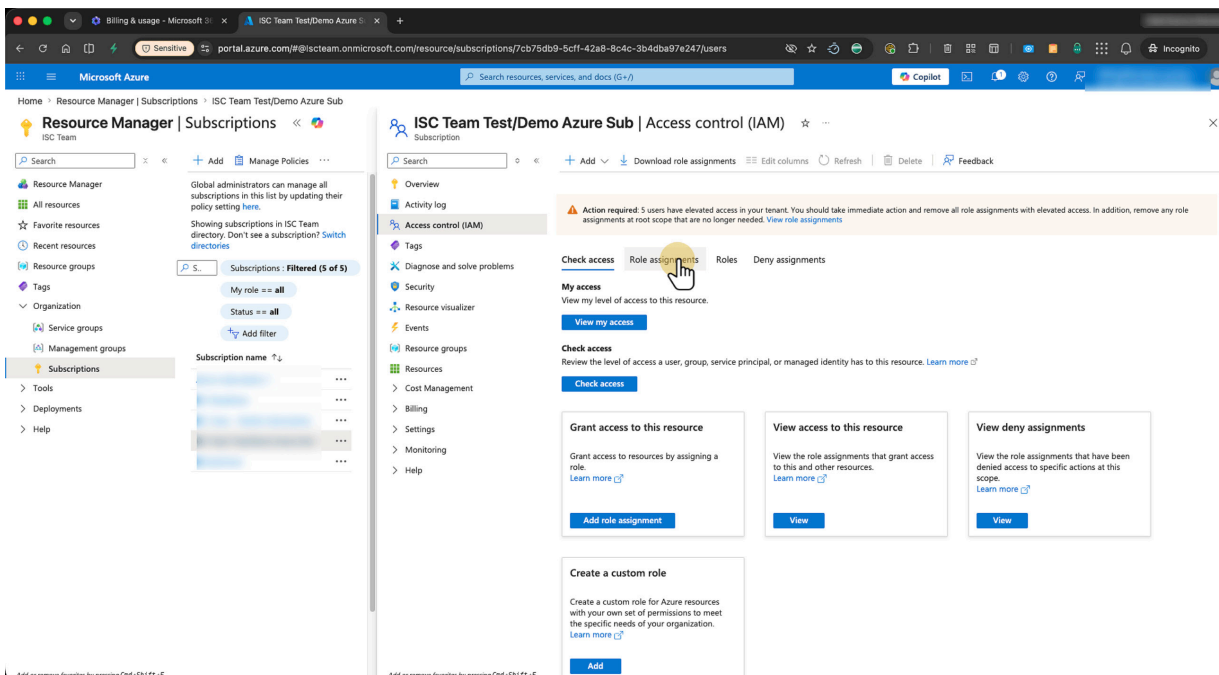
33. Click on the subscription you wish to configure



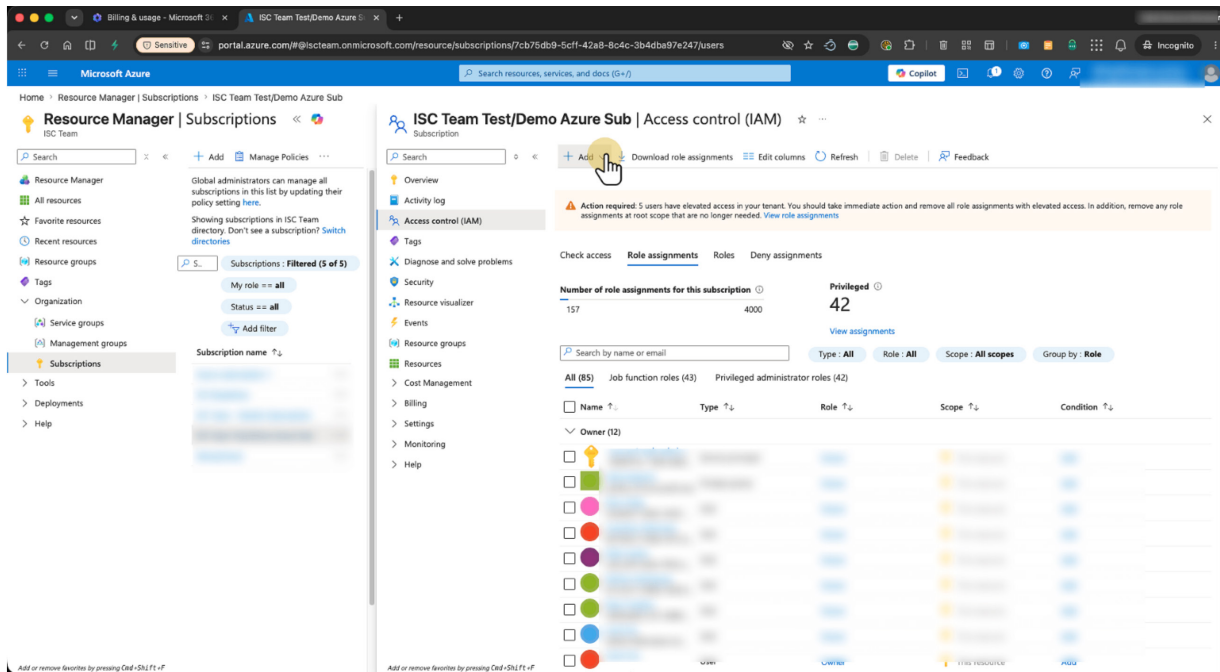
34. Click “Access control (IAM)”



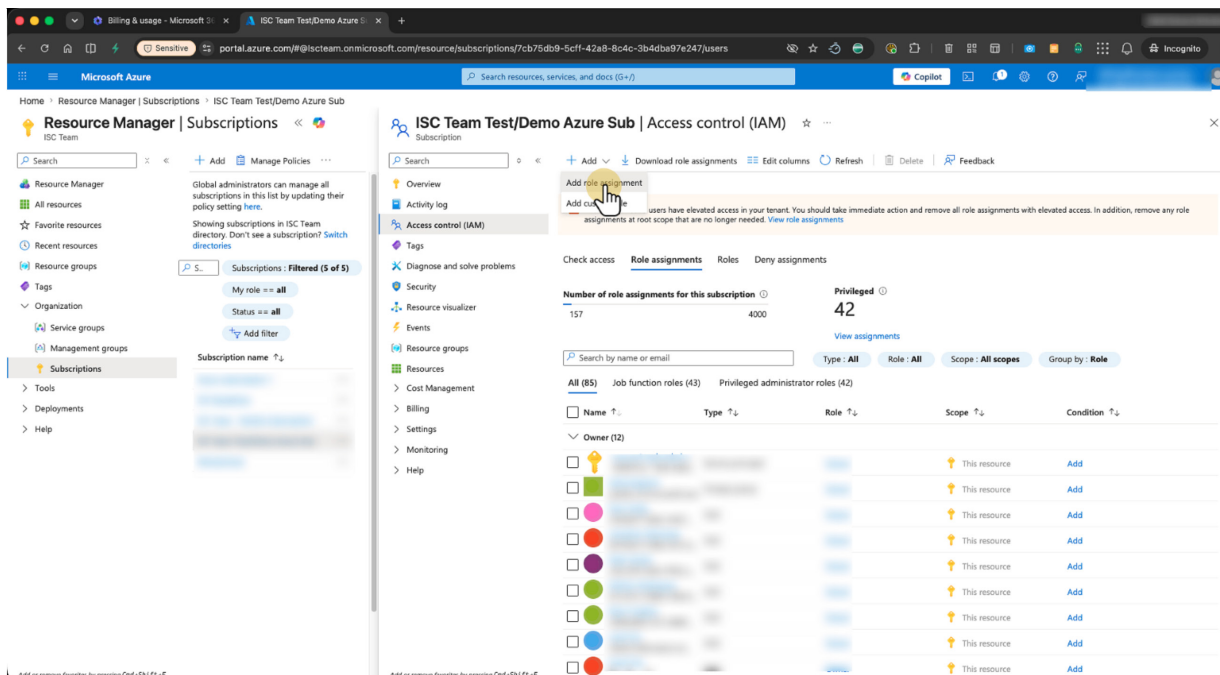
35. Click “Role assignments”



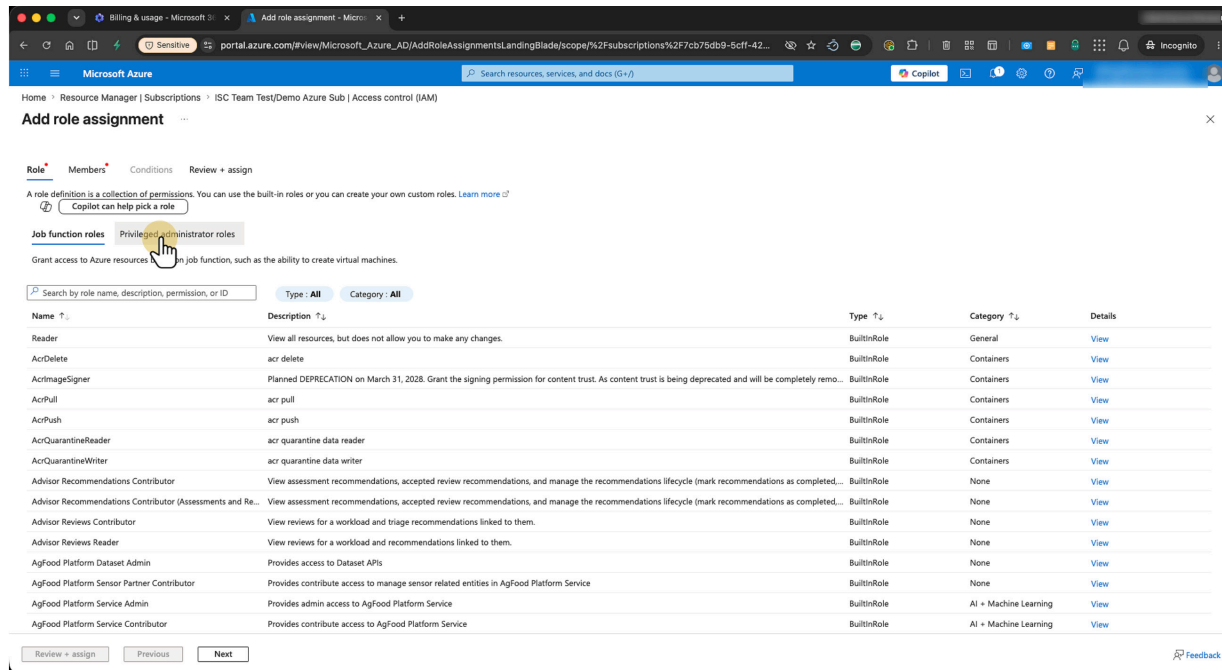
36. Click “Add”



37. Click “Add role assignment”



38. Click “Privileged administrator roles”



Add role assignment

Role Members Conditions Review + assign

A role definition is a collection of permissions. You can use the built-in roles or you can create your own custom roles. [Learn more](#)

Copilot can help pick a role

Job function roles **Privileged administrator roles**

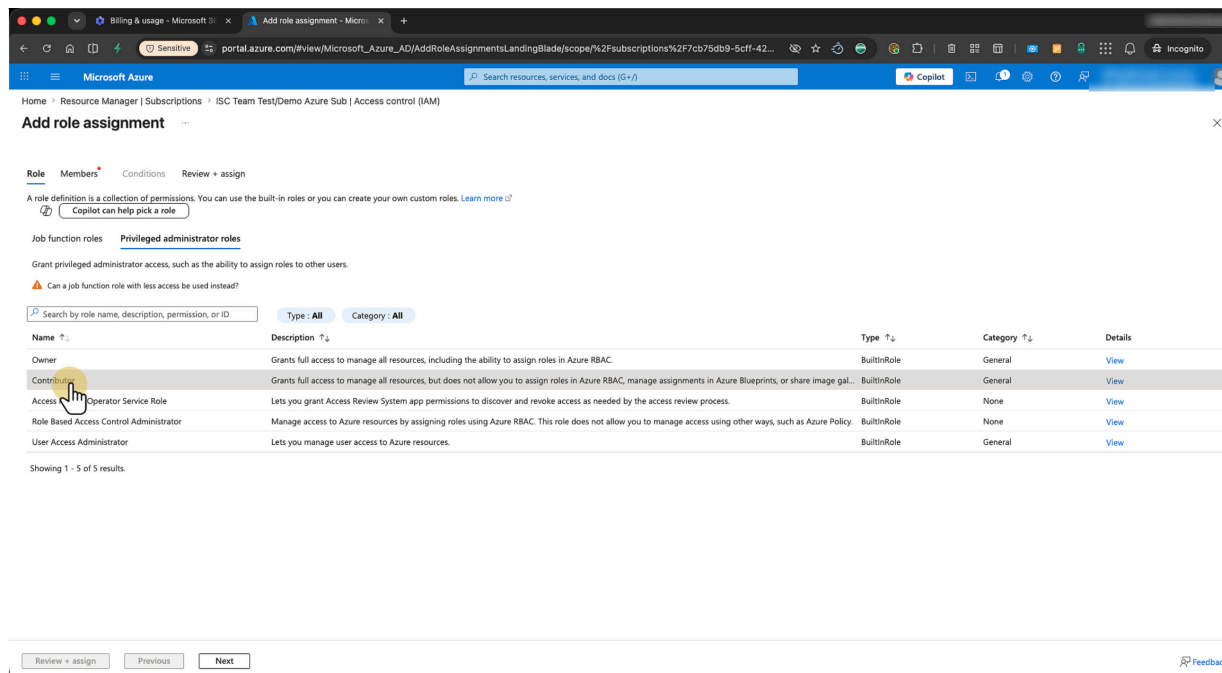
Grant access to Azure resources with a job function, such as the ability to create virtual machines.

Search by role name, description, permission, or ID

Name	Description	Type	Category	Details
Reader	View all resources, but does not allow you to make any changes.	BuiltInRole	General	View
AcrDelete	acr delete	BuiltInRole	Containers	View
AcrImageSigner	Planned DEPRECATION on March 31, 2028. Grant the signing permission for content trust. As content trust is being deprecated and will be completely removed...	BuiltInRole	Containers	View
AcrPull	acr pull	BuiltInRole	Containers	View
AcrPush	acr push	BuiltInRole	Containers	View
AcrQuarantineReader	acr quarantine data reader	BuiltInRole	Containers	View
AcrQuarantineWriter	acr quarantine data writer	BuiltInRole	Containers	View
Advisor Recommendations Contributor	View assessment recommendations, accepted review recommendations, and manage the recommendations lifecycle (mark recommendations as completed...	BuiltInRole	None	View
Advisor Recommendations Contributor (Assessments and Re...	View assessment recommendations, accepted review recommendations, and manage the recommendations lifecycle (mark recommendations as completed...	BuiltInRole	None	View
Advisor Reviews Contributor	View reviews for a workload and triage recommendations linked to them.	BuiltInRole	None	View
Advisor Reviews Reader	View reviews for a workload and recommendations linked to them.	BuiltInRole	None	View
AgFood Platform Dataset Admin	Provides access to Dataset APIs	BuiltInRole	None	View
AgFood Platform Sensor Partner Contributor	Provides contribute access to manage sensor related entities in AgFood Platform Service	BuiltInRole	None	View
AgFood Platform Service Admin	Provides admin access to AgFood Platform Service	BuiltInRole	AI + Machine Learning	View
AgFood Platform Service Contributor	Provides contribute access to AgFood Platform Service	BuiltInRole	AI + Machine Learning	View

Review + assign Previous Next

39. Click “Contributor”



Add role assignment

Role Members Conditions Review + assign

A role definition is a collection of permissions. You can use the built-in roles or you can create your own custom roles. [Learn more](#)

Copilot can help pick a role

Job function roles **Privileged administrator roles**

Grant privileged administrator access, such as the ability to assign roles to other users.

Can a job function role with less access be used instead?

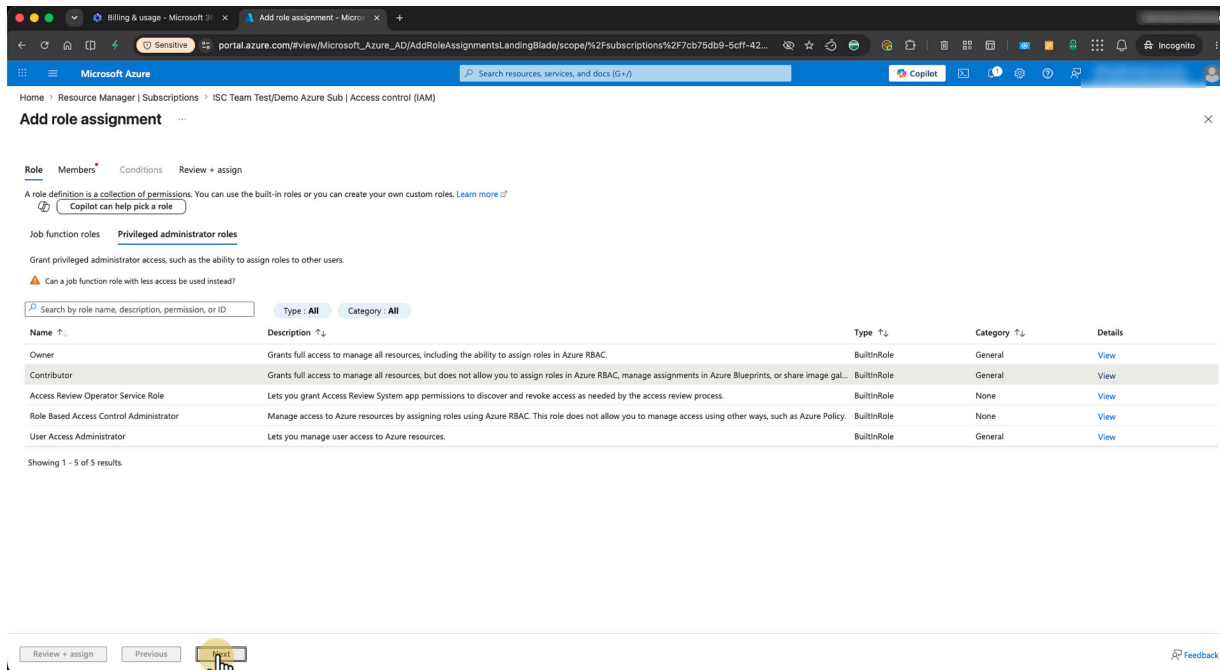
Search by role name, description, permission, or ID

Name	Description	Type	Category	Details
Owner	Grants full access to manage all resources, including the ability to assign roles in Azure RBAC.	BuiltInRole	General	View
Contributor	Grants full access to manage all resources, but does not allow you to assign roles in Azure RBAC, manage assignments in Azure Blueprints, or share image gal...	BuiltInRole	General	View
Access Review Operator Service Role	Lets you grant Access Review System app permissions to discover and revoke access as needed by the access review process.	BuiltInRole	None	View
Role Based Access Control Administrator	Manage access to Azure resources by assigning roles using Azure RBAC. This role does not allow you to manage access using other ways, such as Azure Policy.	BuiltInRole	None	View
User Access Administrator	Lets you manage user access to Azure resources.	BuiltInRole	General	View

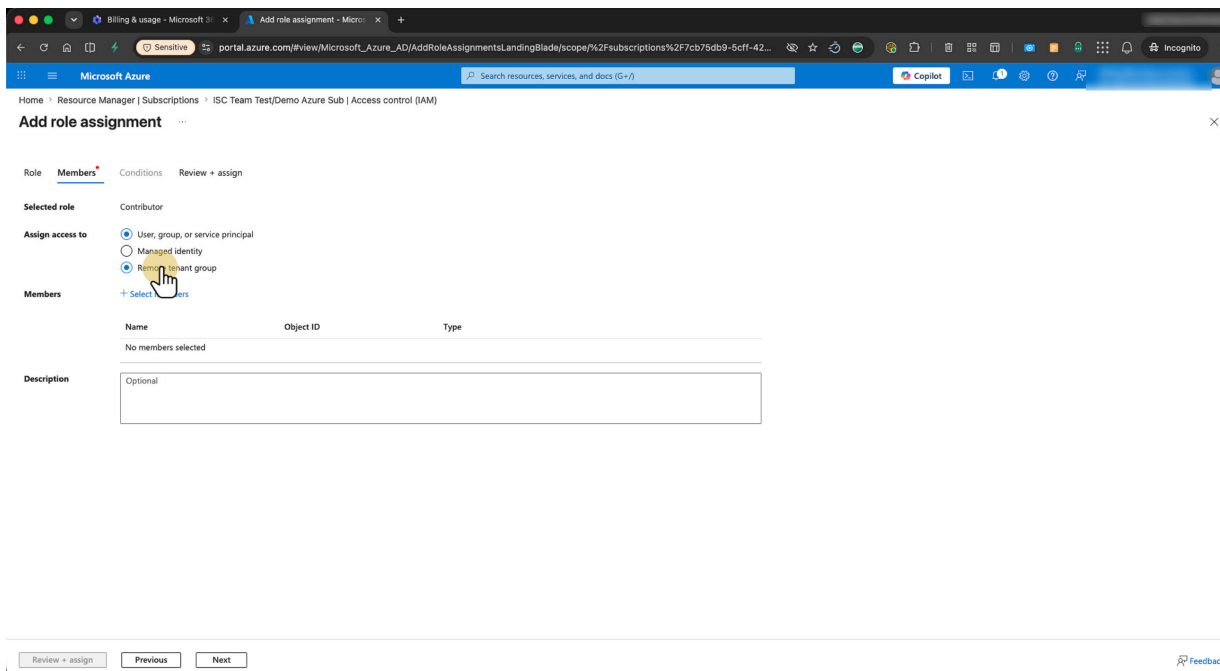
Showing 1 - 5 of 5 results.

Review + assign Previous Next

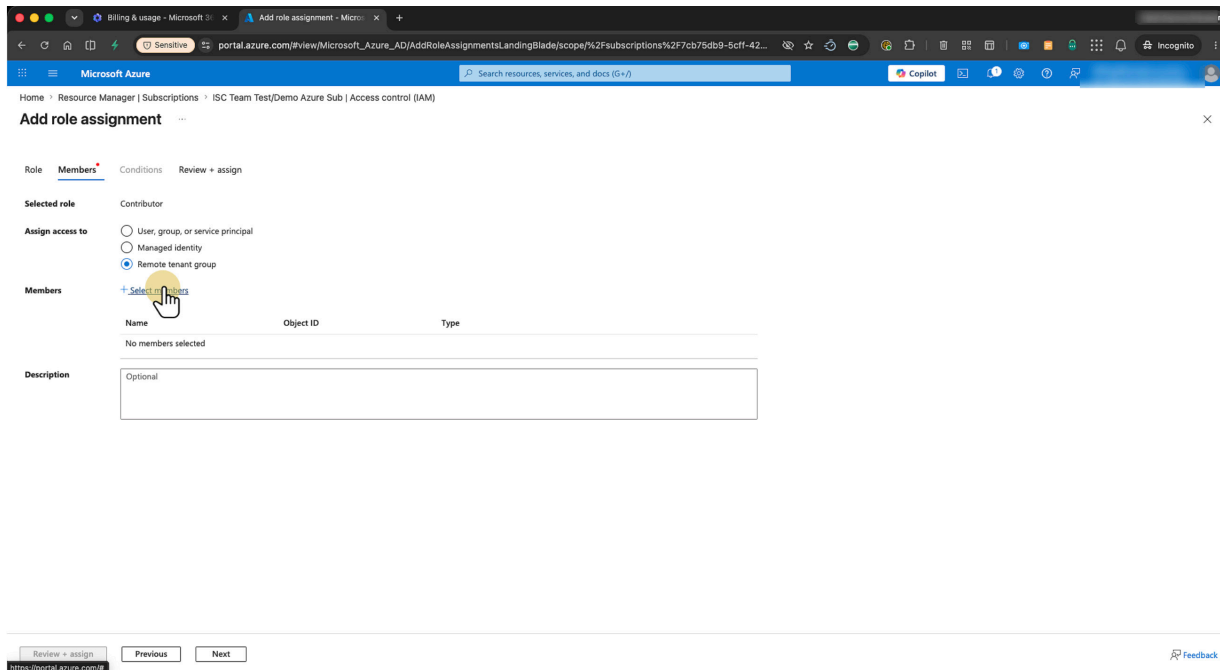
40. Click “Next”



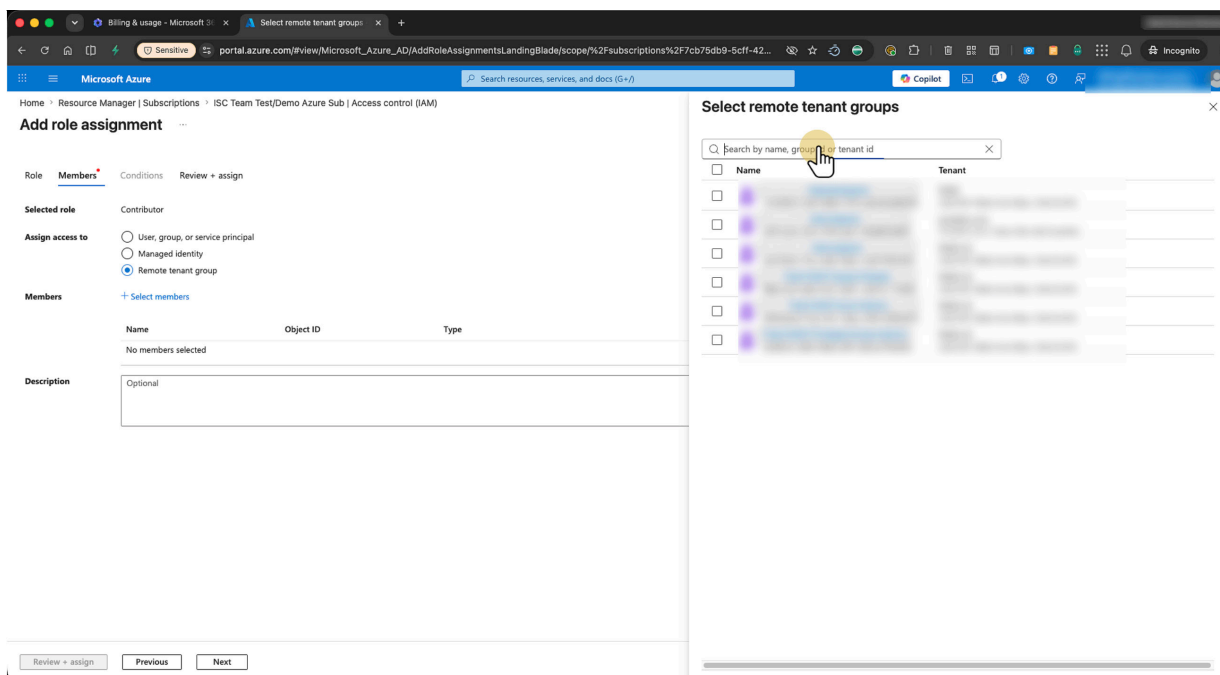
41. Click “Remote tenant group”



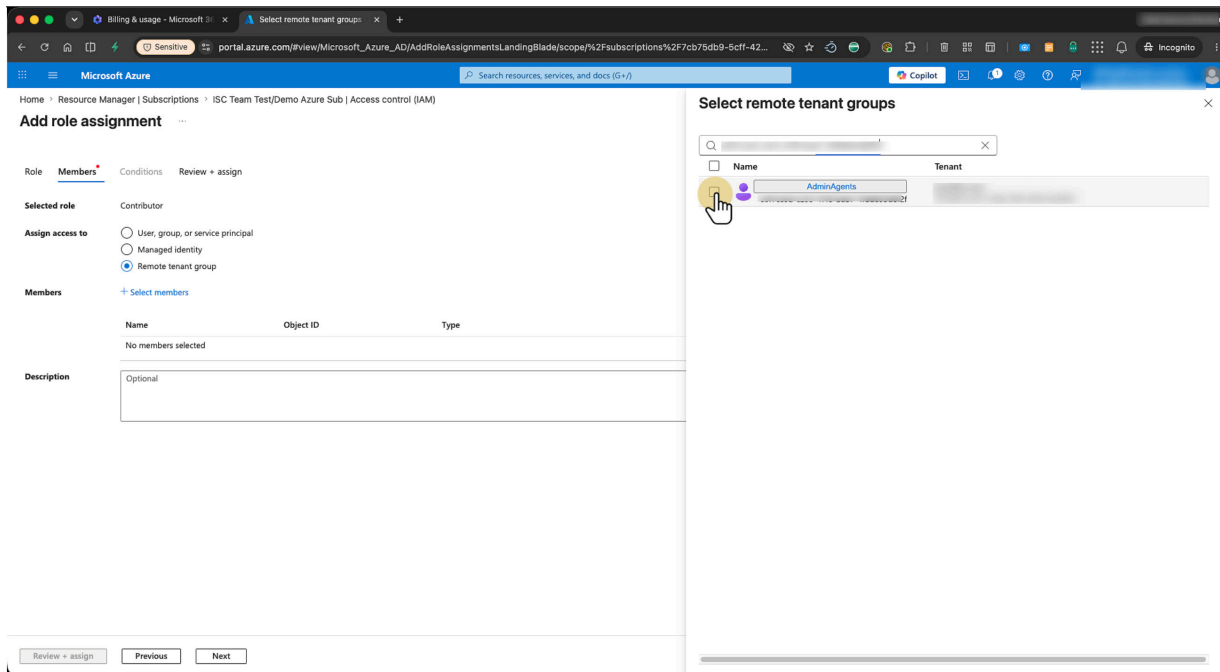
42. Click “Select members”



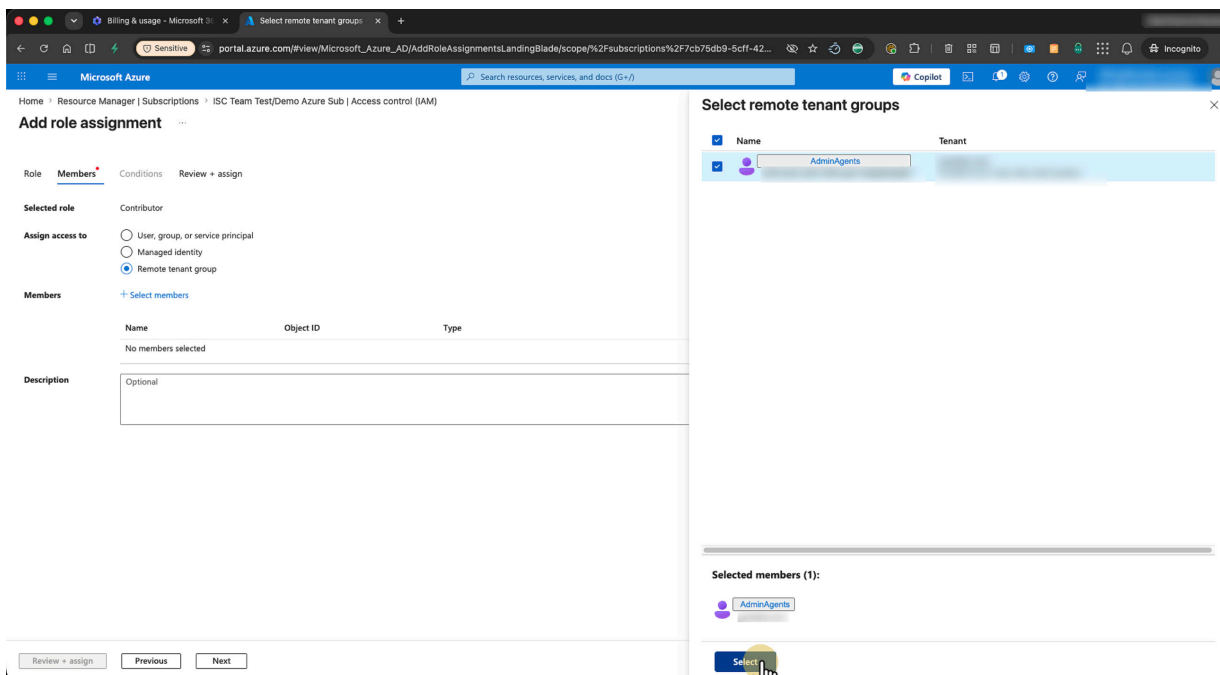
43. Click “Search by name, group id, or tenant id” and enter the group ID from your GDAP group



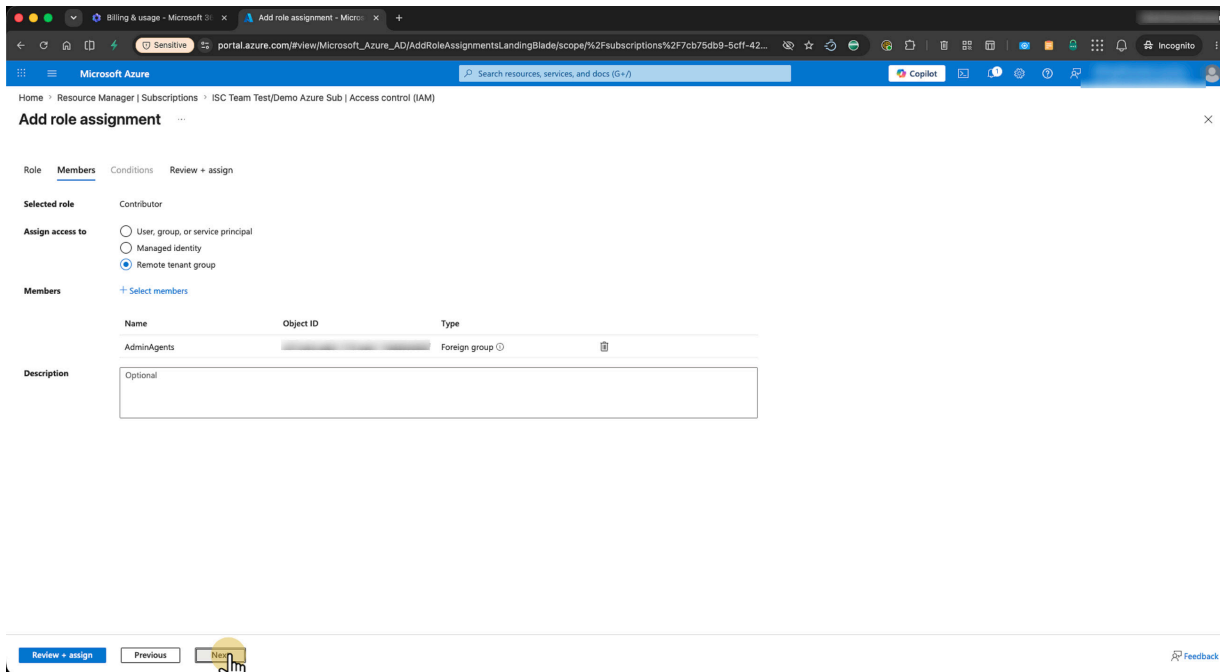
44. Select your group



45. Click "Select"

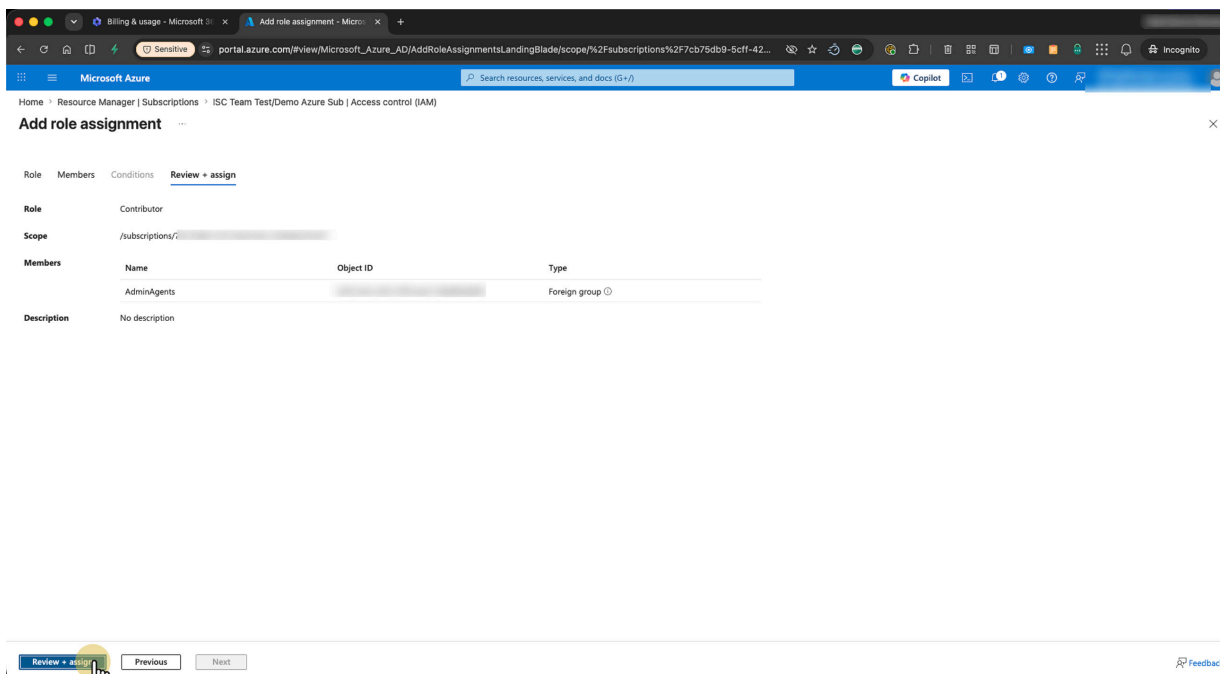


46. Click “Next”



47. Click “Review + assign”

You will now be able to manage this subscription through GDAP moving forward, assuming you are using an account that is a member of your selected group.





Get Expert Guidance and Support

Your Pax8 Microsoft experts are here to help answer questions and guide you through this process and your overall SMB AI transformation strategy. Schedule a Microsoft Business Review with our team to continue the conversation and uncover new ways to drive value, streamline your solutions, and deliver better outcomes for your clients.

[Schedule a business review](#)

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