



Microsoft

Incentives and Rebates Playbook

Covering a wide range of business objectives, Microsoft's incentive offerings provide critical resources to help your Microsoft business grow and succeed. Enrolling in the right program not only lets you reap the rewards of your company's achievements, but also supports your potential expansion into new markets and business models.

CSP Indirect Reseller Program

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 through legacy CSP.

Reminder: Legacy CSP offers without a new commerce equivalent and/or migration path will remain eligible for legacy CSP incentives after December 31, 2022, until the offer is retired or available in new commerce.

For product eligibility on CSP Indirect Reseller Program, please see the attached [product addendum](#).

Program Term January 1 – September 30, 2023	Rate	Earning split*
Core Incentive – Modern Work & Security	4%	60% rebate 40% co-op As of July 1 st , 2022, a 10k per semester threshold to qualify for co-op usage will apply.
Core Incentive – Business Applications	4.75%	
Global Strategic Product Accelerator – Tier 1 (Microsoft 365 E3, Microsoft 365 E5, Microsoft 365 Business Premium and Dynamics Business Central)	5%	
Global Strategic Product Accelerator – Tier 2 (Power Apps and Sales Pro)	10%	
Global PSTN Calling and Conferencing Accelerator	20%	
Subscription Software	Core – 1.25%, Strategic – 6%	100% Rebate

What is the Microsoft Commerce Incentives (MCI) Program?

Microsoft Commerce Incentives are designed to reward CSPs who make a direct impact in delivering value-added services, drive customer adoption and consumption. Partners must enroll for the following incentive programs in the Partner Center before they can begin earning.

Program Term October 1, 2022 – September 30, 2023	Rate	Earning split
Core – Azure Consumption Incentive	4%	60% rebate 40% co-op As of July 1 st 2022, a 10k per semester threshold to qualify for co-op usage will apply.
Core – Modern Work and Security	4%	
Core – Business Applications	4.75%	
Core – Power Platform (Power Apps, Automate, BI, CI)	15%	
Customer Add Accelerator – Modern Work	15%	
Customer Add Accelerator - Business Applications	20%	
Global Strategic Product Accelerator – Tier 1 (Microsoft 365 E3, Microsoft 365 E5, Microsoft 365 Business Premium and Dynamics Business Central)	5%	
Global Strategic Product Accelerator – Tier 2 (Power Apps and Sales Pro)	10%	
Global PSTN Calling and Conferencing Accelerator	20%	
Azure Workload Accelerator (Data & App Innovation, & Analytics + AI)	2%	
Azure Reservation	10%	

How do you participate and earn in an incentive program?

Step 1: Have an active Microsoft Cloud Partner Program Agreement

Step 2: Complete the Partner Incentive enrollment process in Partner Center

Each Incentive Program has its own detailed program guide

Step 3: Set up tax and banking profile

Step 4: Have a Silver/Gold Membership OR a MCPP Solution Area Designation

October 1, 2023, and beyond:

Attaining a Solutions Partner designation will be required to be eligible for incentives. Legacy competencies and legacy benefits will no longer be recognized as eligible criteria for incentives, unless otherwise stated in applicable incentive program terms.

Step 5: Meet revenue requirements:

The \$25K USD trailing twelve-month (TTM) revenue threshold must be met

The \$25K USD TTM revenue threshold looks back 365 days (12 months) and will be assessed monthly. It includes transactions processed under the CSP Indirect Reseller and Microsoft Commerce Incentives (MCI) enrolled Partner Location ID and all other Partner IDs under the enrolled Partner ID within the same country.

Co-op

What is co-op?

Cooperative Marketing Funds (co-op) provide reimbursement of earned funds to participating partners to help differentiate and build channel awareness and preference for Microsoft products through various marketing activities.

Cooperative marketing funds (co-op earnings) will accrue across the new commerce CSP engagement and levers as one MCI co-op amount per enrolled Partner ID. Earnings must be at least \$25K to be eligible for co-op.

The accrued funds must meet the \$10,000 USD minimum threshold to be available for use. If the threshold is not met, the funds will be deposited as a rebate.

How is co-op calculated?

Co-op earnings will accrue across the CSP Indirect Reseller, Indirect Provider, and Direct Bill Partner engagements as a 60% rebate and 40% co-op split under the Microsoft Commerce Incentive (MCI) Program.

MCI engagement	Lever name	Earning split
Azure CSP motion Incentive	CSP Motion Azure Plan	60% rebate 40% co-op As of July 1 st , 2022, a 10k per semester threshold to qualify for co-op usage will apply.
D365 new Commerce CSP	<ul style="list-style-type: none"> Core Business Application billed revenue Global Strategic Accelerator – Tier 1 Global Strategic Accelerator – Tier 2 	
D365 cust add new commerce CSP	D365 cust add new commerce CSP	
M365 new commerce CSP	<ul style="list-style-type: none"> Core – Modern Work and Security billed revenue Global Strategic Accelerator – Tier 1 Global PSTN Calling and Conference Accelerator 	
M365 cust add new commerce CSP	M365 cust add new commerce CSP	

How is co-op earned and accrued?

Funds are earned and accrued semesterly to be used over the following six-month period on eligible Marketing activities, which are outlined in the [FY23 Co-op Guidebook](#).

Earning/accrual period	Usage period	Claim period deadline
FY23 H1 Nov 2022 – Dec 2022*	Jan 2023 – Jun 2023	August 15th, 2023
FY23 H2 Jan 2023 – Jun 2023	Jul 2023 – Dec 2023	February 15th, 2024
FY23 H1 Jul 2023 – Dec 2023	Jan 2024 – Jun 2024	August 15th, 2024

*Microsoft Commerce Incentive (MCI) program begins accruing FY23 H1 co-op funds in November 2022 for a total of November and December earnings.

At the close of the 6-month earning period and once partners have met the \$10,000 threshold, Microsoft will deposit the funds into Partner Center for the use in the next semester.

Earning example

Payment breakdown
for a partner with \$125,000
per month in M365 billings.

$\$125,000 \times 4\%$ (Modern Work & Security – Core) = \$5,000 total earnings

$\$5,000 \times 60\%$ = \$3,000 Rebate

$\$5,000 \times 40\%$ = \$2,000 co-op

$\$2,000(\text{co-op}) \times 6 \text{ months}$ = \$12,000 (\$10K threshold met)

\$12,000 will be placed into the Partner Center co-op claims tool to be used for the following half.

Resources

For more information on Microsoft FY23 incentives and co-op funds please see the resource links below.

- Microsoft Partner Incentive homepage: <https://partner.microsoft.com/en-us/partnership/partner-incentives>
- FY23 Microsoft Incentives Guide: [FY23 Incentive Guidebook](#)
- FY23 Co-op Guidebook: [Partner Incentives Co-op Guidebook](#)