Understanding Your Invoice

## Billing Intervals

Microsoft will bill annually at the enrollment effective date for any commitment purchases of the Microsoft Azure services and in arrears for any usage in excess of the commitment amounts. Commitment fees are quoted based on a monthly rate and billed annually in advance. Overage fees are calculated each month and billed in arrears at the end of your billing period.

Depending on how you choose to make your commitment purchases, your annual commitment will either be coterminous with your enrollment anniversary date or with the effective date of your one-year Amendment Subscription. Your overage bills will be on intervals based on your enrollment anniversary date and billing cycle. If you purchased a one-year Amendment Subscription, you will also be billed for overage for the interim period from the date of your last overage period to the end of the Amendment Subscription.

Azure follows the customer’s quarterly schedule based on the agreement start date. For example, if your coverage term starts in February, your billing quarters will run from February to April, May to July, August to October, and November to January.

## Increasing Commitment

Commitment can be increased at any time and will be billed for the number of months remaining for that year’s commitment period.

For example, if you sign up for a one-year Amendment Subscription and increase your commitment in month six of that commitment term, you will be invoiced for the remaining six months of that term. Your commitment quantities will then be updated for the last six months of your commitment term for determining any overage charges.

### Overage

For overage, you are billed for the usage or reservations that exceeded your commitment during the billing period. To view a breakdown of how the overage quantities for individual items were calculated, please refer to the Usage Summary Report or contact your channel partner.

For each item on the invoice, you will see the total charges (Extended Amount), the amount of commitment used to cover the charges (Commitment Usage) and the amount of charges in excess of commitment (Net Amount).  Applicable taxes are computed only on the net amount in excess of commitment.

Overage invoicing is automated.  The timing of notifications and invoices depends on the customer’s billing period end date.  Notification of overage is sent usually 7 days following the customer’s billing end date, during which customers can go into the portal, review their charges and update the system generated PO#s (This can also be updated at any time before the overage is released).  Overage invoices will be sent 7-9 days afterwards.

### Direct EA

If a customer exceeds their commitment, they will be billed in arrears based on additional usage above monetary commitment.  The timing of overage bills depends upon the overage threshold. Overage threshold is reached when consumption reaches 150% above monetary commitment purchases.

If a customer does not exceed their monetary commitment by no more than 50%, they are billed annually (end of the commitment term). If they exceed their commitment by more than 50%, will be billed quarterly/monthly in arrears.

**Example for a Direct EA Customer:**

*Customer XY consumption has exceeded their monetary commitment by over 50%*

*Customer XY’s next quarter end is March 2015*

XY will receive notification of overage between April 7-14.  They then have 7 days to review their account and update their PO number as shown below. XY will receive their final overage invoice between April 15-22.

### Indirect EA

Overage for Indirect EA customers is quarterly/monthly in arrears.

Purchase Order Numbers

The purchase order default is a system generated Purchase Order number. Users can update their Purchase Order number in the Enterprise Portal by logging in an Enterprise Administrator and navigating to the *Reports* section. There is a box for PO number in the upper right-hand corner of the window that will allow the Enterprise Administrator to edit the PO number by clicking on the *Pencil icon.*