

M365 Copilot Agents – IT Setup Instructions (Microsoft 365 Copilot Licence Holders)

These instructions outline what your IT team may need to enable if users already have a **Microsoft 365 Copilot licence** but experience restrictions when trying to build agents using internal organisational content such as:

- SharePoint documents
- Teams files
- Microsoft 365 data
- internal knowledge sources
- or Microsoft Graph-connected content.

This guidance is intended for:

- Microsoft 365 Copilot licensed users
- internal-document grounding
- declarative agents in Agent Builder
- and light-to-medium enterprise agent scenarios.

1. What users need

Users must have:

- A valid **Microsoft 365 Copilot licence**
- An eligible Microsoft 365 base subscription
- A work or school Microsoft Entra ID account
- Access to Microsoft 365 Copilot Chat
- Access to Agent Builder experiences
- Permission to access the internal documents/data they want the agent to use

2. What Microsoft 365 Copilot licence holders can already do

Users with a Microsoft 365 Copilot licence can typically:

- create declarative agents
- ground agents on SharePoint and Microsoft 365 content
- use Microsoft Graph grounding
- share agents with colleagues
- build agents directly from Copilot Chat experiences

without needing:

- separate Copilot Studio licences
- Copilot Credits
- PAYG billing for standard Microsoft 365 grounding scenarios

3. Required IT configuration

Enable Microsoft 365 Copilot Chat

Ensure Microsoft 365 Copilot Chat is enabled for licensed users.

Enable Agent Builder experiences

Ensure Agent Builder and agent experiences are enabled in Microsoft 365 admin controls.

Allow users to create and share agents

Ensure users or groups are permitted to:

- create agents
- share agents
- use custom agents
- access Copilot extensibility features

Without this, users may not see the Agents option or may be unable to publish/share agents.

Ensure Teams and app policies are not blocking agents

Confirm Teams or Microsoft 365 app policies are not blocking:

- agents
 - Microsoft 365 apps
 - custom apps
 - Power Platform apps
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Ensure users have access to the underlying data

Users can only ground agents on content they already have permission to access.

If users cannot select SharePoint or internal content:

- verify SharePoint permissions
- verify Teams/site membership
- verify Microsoft Search indexing
- verify document access permissions

The agent cannot bypass existing Microsoft 365 security and permissions.

4. Supported user experiences

Agent Builder currently works in:

- Teams desktop client
- Teams web client
- microsoft365.com/chat
- office.com/chat

Agent Builder is not currently supported on:

- mobile clients
- unsupported Teams experiences
- classic Teams surfaces

5. Common restrictions users may hit

Users cannot see the “Agents” option

Ask IT to confirm:

- Microsoft 365 Copilot licence is assigned
- Copilot Chat is enabled
- Agent Builder experiences are enabled
- Teams policies are not blocking agents
- user is on supported Teams/web experiences
- rollout has completed for the tenant/user group

Users can create agents but cannot use internal files

Ask IT to confirm:

- user has access to the SharePoint/Teams content
- Microsoft Search indexing is working
- organisational grounding features are enabled
- content is not blocked by sensitivity labels or governance policy

Users cannot share/publish agents

Ask IT to confirm:

- agent sharing policies are enabled
- Teams/custom app policies allow agents
- organisation policies permit shared agents

6. Optional advanced configuration

Additional setup may be required if the organisation wants:

- actions/workflows
- custom connectors
- external systems integration
- Dataverse
- Power Platform solutions
- enterprise lifecycle management
- advanced governance

In those cases IT may need:

- Copilot Studio environments
- Power Platform admin configuration
- Copilot Studio licensing/PAYG
- AI Administrator permissions
- connector governance policies

7. What users can do once enabled

Once configured, Microsoft 365 Copilot licensed users can:

- build declarative agents
- ground agents on organisational Microsoft 365 data
- use SharePoint and Teams knowledge
- share agents with colleagues or teams
- extend Copilot experiences within Microsoft 365

For more advanced enterprise orchestration, workflows, and integrations, use Microsoft Copilot Studio.

Official Microsoft References

- [Agent Builder in Microsoft 365 Copilot \[learn.microsoft.com\]](https://learn.microsoft.com/en-gb/training/modules/agent-builder-microsoft-365-copilot/)
- [Agents for Microsoft 365 Copilot Chat \[learn.microsoft.com\]](https://learn.microsoft.com/en-gb/training/modules/agents-microsoft-365-copilot-chat/)

- [Agents admin guide for Microsoft 365 \[learn.microsoft.com\]](#)
- [Microsoft 365 agents deployment checklist \[learn.microsoft.com\]](#)
- [Choose between Agent Builder and Copilot Studio \[learn.microsoft.com\]](#)