

FREE RESOURCE — MICROSOFT 365 COPILOT

Copilot Governance Policy Template

A fill-in acceptable use policy for Microsoft 365 Copilot — data handling and confidentiality rules, human-review requirements, prohibited uses, prompt hygiene, incident reporting and a review cadence. Adapt the bracketed fields to your organisation and issue it alongside licence rollout.

7

POLICY
SECTIONS
TO COMPLETE

Fill-in

BRACKETED
FIELDS
TO ADAPT

Annual

RECOMMENDED
REVIEW
CADENCE

Fillable

TICK & TYPE
IN ANY VIEWER

ACCEPTABLE USE

DATA HANDLING

PROHIBITED USES

SIGN-OFF

PREPARED FOR

Cloudswitched Knowledge
Library

PREPARED BY

Cloudswitched Ltd.

VERSION

2026 Edition

FORMAT

Interactive PDF

01

Acceptable use & data handling

This policy governs use of Microsoft 365 Copilot by all staff at _____ (“the Company”). It applies to every licensed user and every Copilot-enabled application across the Microsoft 365 estate.

Acceptable use

POLICY STATEMENT

Copilot may be used to draft, summarise, analyse and accelerate work within the scope of an employee’s role, using content the employee already has legitimate access to. Copilot output is a first draft or working aid, not a final, unreviewed deliverable.

Data handling & confidentiality rules

- **Copilot does not train the underlying foundation model** on Company tenant data — prompts and content remain within the Company’s Microsoft 365 tenant boundary.
- **Client-confidential material** may only be used in a Copilot prompt where the employee is already authorised to access and process it under the relevant client contract.
- **Special category / highly sensitive personal data** (health, financial, disciplinary records) requires manager approval before use in any Copilot prompt.
- **Data classification labels** must be respected — Copilot must not be used to circumvent a label’s intended restriction.

Human-review requirements

- **All external-facing output** (client emails, proposals, contracts, marketing copy) must be reviewed and edited by the sending employee before it leaves the Company.
- **Figures, citations and factual claims** generated by Copilot must be independently verified before use in any client or board-facing document.
- **No fully automated decision-making** affecting customers, employees or contracts may rely on unreviewed Copilot output.

02

Prohibited uses, incidents & review

Prohibited uses

- **Attempting to access content** outside the employee's normal permissions via prompt engineering or indirect queries.
- **Entering competitor confidential information, trade secrets, or third-party proprietary data** obtained under an NDA into any prompt.
- **Generating content intended to mislead, impersonate, or misrepresent** the Company, a colleague, or a client.
- **Using Copilot to bypass HR, legal, or compliance review processes** that would normally apply to the output produced.

Prompt hygiene

- **Prompts should name a specific source** (document, thread, dataset) rather than relying on broad, unscoped tenant-wide search where avoidable.
- **Do not paste passwords, API keys, or credentials** into any Copilot prompt under any circumstances.

Incident reporting

- **Any instance of Copilot surfacing content** that appears unintentionally accessible must be reported to _____ (IT/Security contact) within 24 hours.
- **Suspected policy breaches** are handled under the Company's existing disciplinary and data-incident procedures.

Review cadence

This policy is reviewed **annually**, or immediately following any material change to Copilot licensing, functionality, or a reportable incident. Next review due: _____.

Sign-off

APPROVED BY

ROLE / TITLE

DATE



Staff acknowledgement

Issue this page to every Copilot-licensed employee to sign and return before their licence is activated. Keep signed copies on file alongside other IT acceptable-use acknowledgements.

ACKNOWLEDGEMENT STATEMENT

I confirm I have read and understood the Copilot Governance Policy and agree to use Microsoft 365 Copilot in accordance with its terms, including the data handling, human-review and prohibited-use requirements set out above.

EMPLOYEE NAME

DEPARTMENT

SIGNATURE & DATE

Need this policy tailored to your business?

Cloudswitched drafts and implements Copilot governance policies as part of our Microsoft 365 rollout service — tailored to your sector and existing IT policy suite.

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