

# Understanding Accounts: Business Units, Objects, Subsidiaries

## Overview

 Please refer to the [Appendix](#) at the end of this section for information on Business Units and Ledger Types specific to DAS - Budget.

A **Business Unit (BU)** is a separate entity within a Fund used to track costs and revenues. A Business Unit can be a grant, project, warehouse location or cost center. These types of Business Units will account for expenditures and revenues.

A **Balance Sheet Business Unit** will track the cash, other assets, liabilities, and fund equity for a Fund. Each Fund has only one Balance Sheet Business Unit but may have many other types of Business Units attached to it.

Additional Business Unit information:

- Business Units are the basic building blocks of NIS and consist of the following:
  - Cost Center
  - Grant or Project
  - Warehouse
  - Balance Sheet
- Business Units replace NAS coding lines
- Business Units are always associated with a Fund (company)
- Balance Sheet Business Units are the same number as the Fund and are 5 digits
- Most Business Units start with the Agency number (e.g. 65070028) and are 8 digits in length for non Balance Sheet Business Units except for Agencies 3 through 9 which have 7 digit business units, and Agency 51 which is 12 digits.
- Business Units are also used for special purposes (e.g. B - Budget, P - personal service, S - security, Warehouse, and Fixed Asset Business Units.) These BU's can be up to 12 characters.
- Intelligence, other than the leading agency number, should be used sparingly and normally just for security reasons

**Objects** are attached to business units and are similar to accounts in NAS. They are the "what" of a transaction, while the Business Unit is the "where" of a transaction.

**Subsidiaries** can further define Business Unit / Object combinations if needed.

An **Account** in NIS is the Business Unit, Object, and Subsidiary (optional). These fields are connected with a "." between them. For example:  
65028651.574100.ADMIN

**Category Codes** are used to define Business Units or Objects. For example, Category Code 1 for the Business Unit is the agency that owns the Business

Unit. Other currently used category codes hold division, fund type, program, sub-program, CFDA numbers, etc. Reports can be generated from these category codes to get useful information.

**Ledger Types** are containers for Business Unit information. Some of the different ledger types are:

- AA - Actual Costs
- BF - Agency Entered Appropriation
- PA - Automatic Encumbrance
- PB - Manual Encumbrance
- UF - Budgetary Control

## NIS Policies

The tasks in this documentation provide end users with the tools to enter data and collect data in NIS. It is the responsibility of the agencies to comply with State Statutes, Federal Rules and Regulations, and State policies. For further information concerning State Statutes and policies, please refer to both internal agency resources and the Department of Administrative Services website: [www.das.state.ne.us](http://www.das.state.ne.us).

## Appendix

A Budget Business Unit is used to control and monitor appropriations, allotments, and personal services limitations. This type of Business Unit exists only in the UF ledger with access restricted only to the DAS-Budget Division.

Within NIS, ledger type UF is used to record and maintain budget amounts. In this instance, the term "budget" is generically used to refer to the designated upper limit for any or all of the following:

- Appropriation - an annual budget amount for a given Agency/Program/Fund Type combination as specified by the Legislature or pursuant to administrative authority granted to the DAS - Budget Division. A unique business unit is assigned to contain this amount. Appropriation amount is specified under object account 1 for that business unit. Subsidiary values further define the type or source of appropriation.
- Allotment - the budget amount for a given Agency/Program/Fund Type combination through a given accounting period. This is the year-to-date allocated portion of appropriation. The same business unit is used for both Appropriation and Allotment. Allotment is specified under object account 2 for that business unit.
- PSL - Personal Services Limitation - an annual authorization approved by the Legislature within an agency/program to spend on salaries only (objects 511100-512999). This is not limited by fund type; PSL amounts are by program.

Each Budget Business Unit contains codes that indicate which Agency, Program and type of fund is being utilized. The codes are as follows:

- Agency (Business Unit Category Code 1)
- Program (Business Unit Category Code 4)
- Fund Type (Business Unit Category Codes 11 and 15)

Example: Suppose the system is processing an expenditure or Purchase Order for Business Unit 23961000, and when we look at the Business Unit master, we see the following:

- Agency - 023
- Program - 031
- Fund - 42310 (first digit determines fund type - 4)

The corresponding Budget business units would be:

- Appropriation/Allotment - B02303140000, object accounts 1 and 2.
- PSL - P02303100000, object account 3.