

# Organizational Unit

In AWS Organizations, an **Organizational Unit (OU)** is a container that you can use to group AWS accounts. OUs allow you to manage accounts as a single unit and apply common policies to them. This helps in structuring accounts in a hierarchical manner within your organization, making it easier to manage and apply governance controls.

Here are some key points about Organizational Units in AWS Organizations:

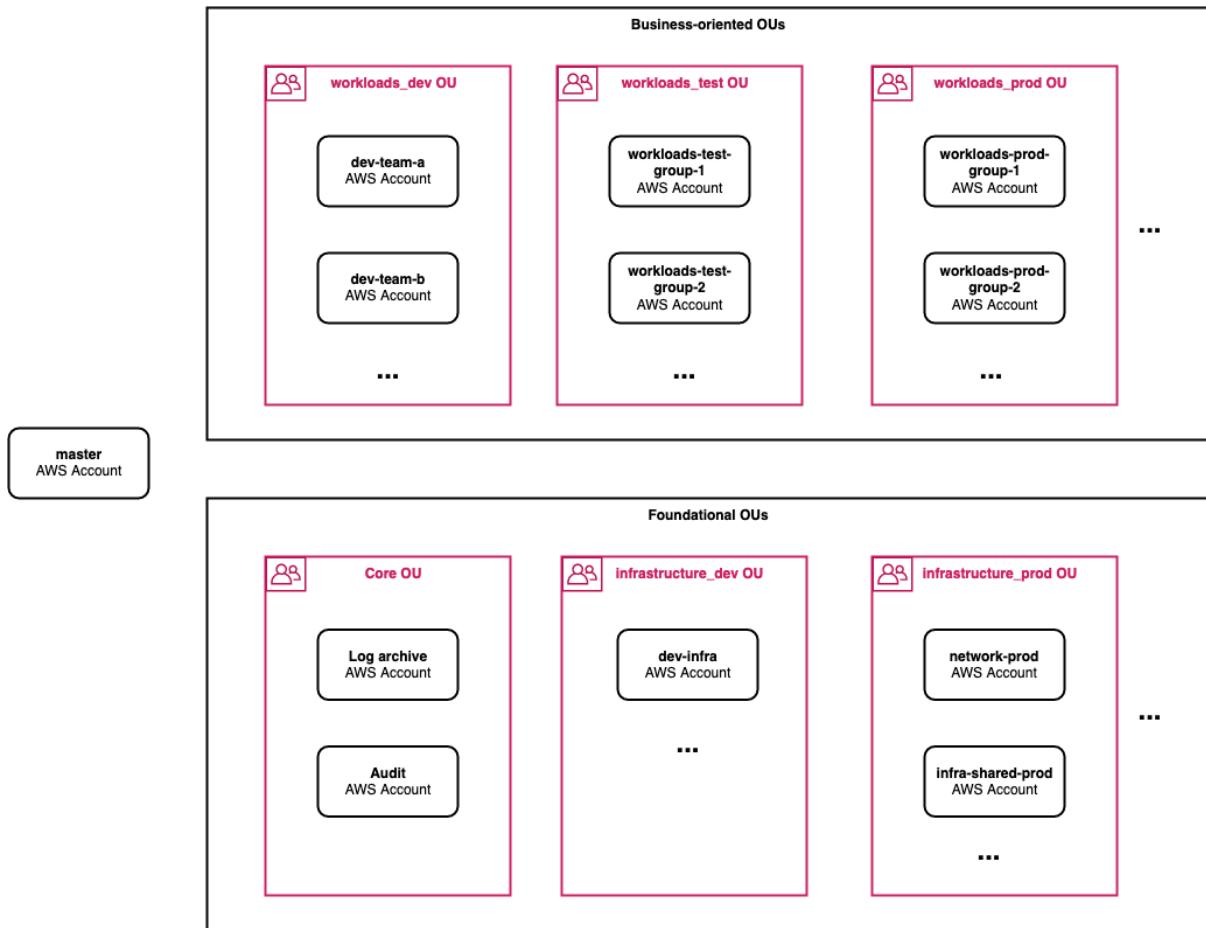
1. **Hierarchy:** You can create a hierarchy of OUs within an AWS organization. This allows for nested OUs, where you can have parent OUs and child OUs. Policies applied to a parent OU are inherited by all child OUs and accounts under it.
2. **Policy Management:** You can attach Service Control Policies (SCPs) to OUs to enforce specific rules and constraints on the accounts within that OU. SCPs can be used to restrict or allow certain AWS services and actions.
3. **Simplified Management:** By grouping accounts into OUs, you can manage policies and permissions at a higher level rather than managing them individually for each account. This helps in reducing complexity and ensuring consistent policy enforcement.
4. **Delegation:** OUs allow you to delegate administrative control to different teams or departments within your organization. Each team can manage their own set of accounts within their designated OUs while adhering to the overall governance policies.
5. **Isolation:** OUs provide a way to isolate different environments (e.g., development, testing, production) or business units within the same AWS organization. This isolation helps in organizing resources and applying environment-specific policies.

## Example Use Cases

- **Environment Separation:** Create separate OUs for development, testing, and production environments, each with its own set of policies.
- **Departmental Organization:** Group accounts by departments such as finance, marketing, and engineering, and apply department-specific policies.
- **Project-Based Organization:** Create OUs for different projects or initiatives to manage their accounts and policies independently.

The following diagram represents an example set of OUs and AWS accounts that can help you get started with your initial AWS environment in support of your first few production workloads. This initial set of OUs is intended to enable you to group AWS accounts that have similar security and management needs.

The development and workloads AWS accounts names shown in the diagram are examples. Depending on your needs, your AWS account names will vary. Refer to the initial AWS accounts for a description of the AWS accounts referenced in the diagram.



**End Goal:** In this lab, you're learning how to create and utilize Organizational Units (OUs) in AWS Organizations. You start by accessing the AWS Management Console and navigating to the Organizations service. From there, you create a new OU and give it a name, providing a way to organize accounts based on department, project, or environment. Then, you can move member accounts into the newly created OU to apply policies, permissions, and Service Control Policies (SCPs) uniformly across all accounts within the OU. Through this process, you gain centralized management and governance capabilities for AWS resources across multiple accounts within your organization.

## 😊 Use Cases of Organizational Unit:

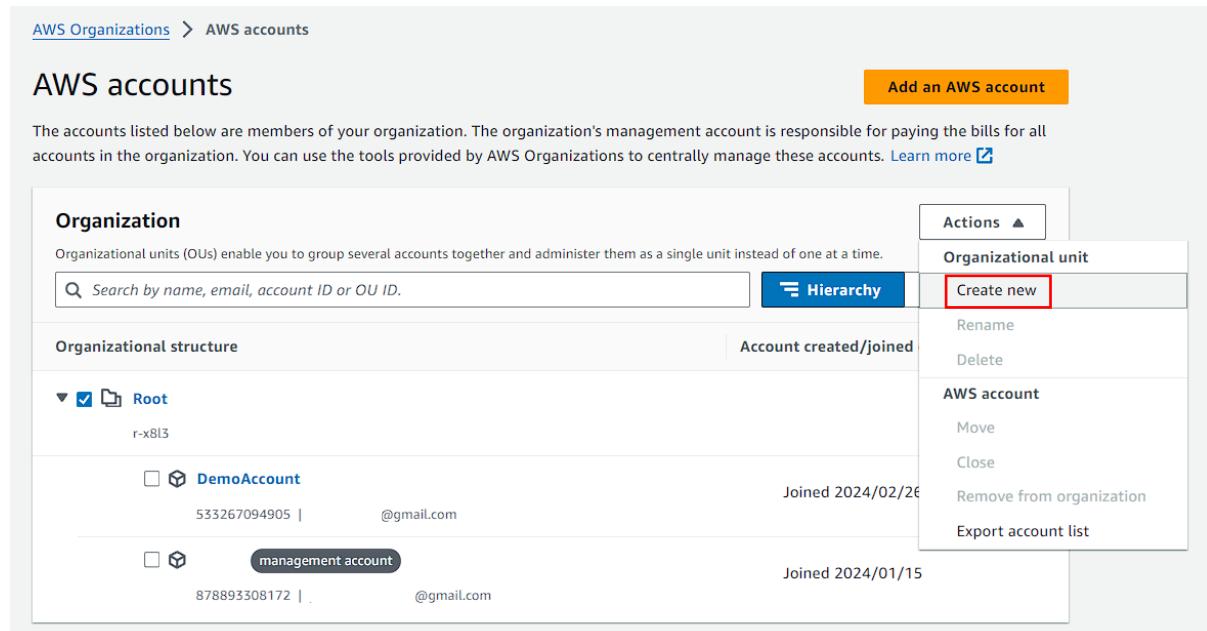
Organizational units (OUs) in AWS organizations offer several use cases to streamline management and governance:

- Departmental Segmentation:** Large organizations often have multiple departments or business units with distinct AWS resource needs. OUs can be used to group accounts by department, enabling centralized management of resources, budgets, and policies specific to each department.
- Project Isolation:** Organizations frequently undertake various projects, each with its own set of AWS resources and requirements. OUs provide a way to organize accounts based on projects, allowing project-specific policies, access controls, and cost management to be applied uniformly across all project-related accounts.

- Environment Separation:** Many organizations maintain separate environments such as development, testing, staging, and production. OUs enable the segregation of accounts by environment, facilitating consistent enforcement of security policies, compliance standards, and resource configurations within each environment.
- Governance and Compliance:** By structuring accounts into OUs, organizations can enforce governance policies and compliance standards more effectively. SCPs can be applied at the OU level to restrict access to specific AWS services or enforce security controls, ensuring compliance with regulatory requirements or internal policies.
- Cost Management:** OUs help in managing costs by allowing organizations to set up consolidated billing and cost allocation rules at the OU level. This enables centralized monitoring of spending across multiple accounts within each OU, facilitating better cost tracking, analysis, and optimization.
- Resource Sharing and Collaboration:** OUs simplify resource sharing and collaboration between accounts within an organization. By grouping accounts based on shared projects or initiatives, organizations can easily grant cross-account access permissions and securely share resources such as Amazon S3 buckets, AWS Lambda functions, or Amazon RDS databases.

### 😊 To begin with the Lab:

- In this lab you are going to learn how to create Organizational unit (OU) in AWS Organizations.
- First login to AWS Console and navigate to Organizations.
- There you will see your management account and your member account.
- Now from there select root and click on actions. Then click on create new.



The screenshot shows the AWS Organizations AWS accounts page. At the top, there is a breadcrumb navigation: AWS Organizations > AWS accounts. On the right, there is an orange button labeled "Add an AWS account". Below this, the page title is "AWS accounts". A search bar and a "Hierarchy" button are also present. The main content area displays the "Organizational structure". Under the "Root" node, there is a "DemoAccount" node with details: Account ID 533267094905, Email @gmail.com, and Joined 2024/02/26. Below it is a "management account" node with details: Account ID 878893308172, Email @gmail.com, and Joined 2024/01/15. To the right of the table, there is a vertical "Actions" menu with options: Create new (highlighted with a red box), Rename, Delete, AWS account (with Move, Close, Remove from organization, and Export account list sub-options), and a "Create new" option under Organizational unit. The "Create new" option in the Actions menu is also highlighted with a red box.

- Now you have to give it a name. Then click on create organizational unit.

## Create organizational unit in Root

An organizational unit (OU) can contain both accounts and other OUs. This enables you to create an inverted tree hierarchy. The structure has a root at the top and branches of OUs that reach down. The branches end in accounts that act as the leaves of the tree. [Learn more](#)

### Details

Organizational unit name

Sandbox

An OU name can be up to 128 characters.

### Tags

Tags are key-value pairs that you can add to AWS resources to help identify, organize, and secure your AWS resources.

No tags are associated with the resource.

Add tag

You can add 50 more tags.

Cancel

Create organizational unit

6. Here you can see your organizational unit. Now if you will select your member account and click on actions you will be able to move this account to the organizational unit.

## AWS accounts

Add an AWS account

The accounts listed below are members of your organization. The organization's management account is responsible for paying the bills for all accounts in the organization. You can use the tools provided by AWS Organizations to centrally manage these accounts. [Learn more](#)

### Organization

Organizational units (OUs) enable you to group several accounts together and administer them as a single unit instead of one at a time.

Search by name, email, account ID or OU ID.

Hierarchy

### Organizational structure

▼   Root

r-x8l3

►   Sandbox

ou-x8l3-12bq01zo

### Account created/joined

DemoAccount

533267094905 | @gmail.com

Joined 2024/02/26

management account

878893308172 | @gmail.com

Joined 2024/01/15

### Actions ▲

#### Organizational unit

Create new

Rename

Delete

#### AWS account

Move

Close

Remove from organization

Export account list

7. Here you can see the option to add your member account to organizational unit.

AWS account to be moved

Account name	▲	Account ID	▼	Email	▼
DemoAccount		533267094905			

**Destination**  
Select root or organizational unit that account should be moved to.

Organizational structure

- ▼   Root  
r-x8l3
- ▶   Sandbox  
ou-x8l3-12bq01zo

[Cancel](#) [Move AWS account](#)

8. Here you can see that your member account is now a part of organizational unit.

- ▼   Root  
r-x8l3
- ▼    Sandbox  
ou-x8l3-12bq01zo
-  **DemoAccount** Joined 2024/02/26  
533267094905 | lordstar697@gmail.com