

Finance & Accounting Manual

Odoo Implementation Guide

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Part I

The Strategic Foundation

Chapter 1

The TAO of Odoo Financial Management Module: Guiding Philosophy

Odoo Accounting is more than a tool for recording debits and credits—it is a living system designed to reflect the financial truth of your business in real time. This chapter explores the foundational mindset that shapes how Odoo approaches accounting: not as a siloed back-office function, but as an integrated, intelligent core that empowers every decision across your organization.

1.1 The Core Philosophy: A Unified Financial Nervous System

At its heart, Odoo Accounting functions as your company's *financial nervous system*—constantly sensing, processing, and responding to economic activity across departments. Unlike traditional accounting software that operates in isolation, Odoo Accounting is natively connected to every other business function: sales, purchases, inventory, payroll, projects, and more.

Every invoice issued by the Sales team, every bill received from a vendor, every bank transaction, and every inventory movement automatically flows into the general ledger—without manual entry or file imports. This eliminates data duplication, reduces human error, and ensures that your financial records are always synchronized with operational reality.

This unity transforms accounting from a historical record-keeper into a real-time strategic partner, providing leaders with accurate, up-to-the-minute insights to guide growth, control costs, and maintain compliance.

‘Key Takeaway: In Odoo, accounting doesn't happen *after* business—it happens *with* business’

1.2 Guiding Principles: Clarity, Compliance, and Real-Time Insight

Odoo Accounting is built on three interlocking principles that define its user experience and functional design:

Clarity

Financial data should be understandable—not just to accountants, but to business owners, managers, and operational teams. Odoo achieves this through:

- Clean, intuitive dashboards with visual KPIs (e.g., cash flow, profit & loss, overdue invoices)
- Plain-language transaction descriptions
- Drill-down capabilities that let users trace any figure back to its source document

Compliance

Global businesses face complex and evolving regulatory landscapes. Odoo Accounting embeds compliance into its core:

- Automatic tax calculations based on country-specific rules (VAT, GST, sales tax, etc.)
- Preconfigured chart of accounts aligned with local standards (e.g., PCG in France, GAAP in the U.S.)
- Audit-ready reporting and secure, immutable transaction logs
- Support for multi-currency, multi-company, and intercompany transactions

Real-Time Insight

Waiting until month-end to understand your financial position is no longer necessary—or acceptable. Odoo delivers:

- Live balance sheets and profit & loss statements
- Instant reconciliation with bank feeds (via Odoo Bank Synchronization)
- Forecasting tools based on current receivables, payables, and cash positions

Together, these principles ensure that Odoo Accounting is not only accurate and compliant but also actionable—turning financial data into a catalyst for smarter, faster decisions.

1.3 Frame of Reference: Accounting as the Heart of the Business Ecosystem

In the Odoo ecosystem, accounting is not a peripheral module—it is the central hub that gives coherence to all business operations. Every action in Odoo generates a financial echo:

- A sales order becomes an invoice, which affects accounts receivable, revenue recognition, and tax liability.

- A purchase order triggers a vendor bill, impacting accounts payable, expense tracking, and inventory valuation.
- An employee timesheet can feed into project costing and payroll expenses.
- Even marketing campaigns can be tracked for ROI through integrated expense and revenue attribution.

This interconnectedness means that your financial statements are always a true reflection of your business activity—no spreadsheets, no manual adjustments, no lag.

By placing accounting at the center, Odoo enables:

- End-to-end visibility: From customer quote to cash in the bank.
- Automated workflows: Approval rules, payment reminders, and reconciliation suggestions reduce manual effort.
- Scalable control: As your business grows, your accounting system grows with it—supporting multiple entities, currencies, and fiscal regimes without fragmentation.

‘In essence: Odoo Accounting doesn’t just track money—it reveals the story of your business.’

Chapter 2

Strategic Context and Business Purpose

2.1 System Context (C4-Level 1):

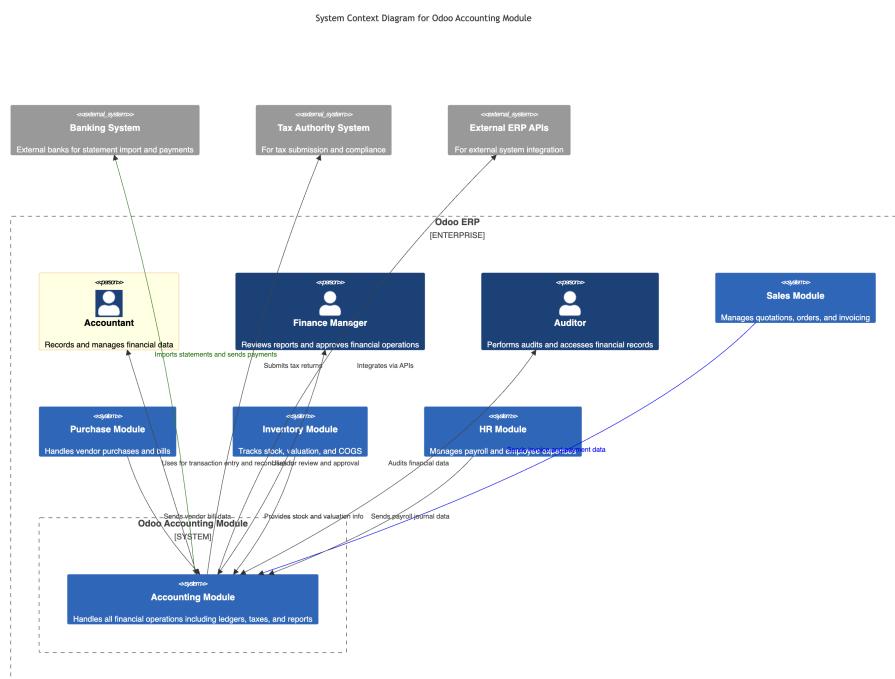


Figure 2.1: C1 Diagram: Odoo Accounting Module System Context

The C1 diagram shows the big picture of how the Odoo Accounting Module fits into the Odoo system. It outlines the users, internal modules in communication, and external systems, but also focuses on how each talks to or depends upon the accounting module. **Interactions:**

Users:

- i. **Accountant:** Uses the accounting module to enter journal entries, process financial transactions, reconcile bank statements, and generate reports.
- ii. **Finance Manager:** Generates financial reports, authorizes transactions, monitors cash flows, and verifies overall finance compliance via the module.

- iii. **Auditor:** Puts accounting records into perspective to perform audits, ensures compliance checks, and submits regulatory ones.

Internal Odoo Modules:

- i. **Sales Module:** Sends customers' invoice and payment information to the accounting module for accounting revenues and monitoring receivables.
- ii. **Purchase Module:** Puts vendor bill and purchase transaction records into the module to process accounts payable.
- iii. **Inventory Module:** Provides stock value and COGS information to the financial ledgers for updating.
- iv. **HR Module:** Updates payroll, employee expense reimbursements, and salary-related journal entries into the accounting system.

External Systems:

- i. **Banking System:** Exchanges information bi-directionally with the accounting module. Imports bank statements for reconciling. Exports payment instructions for vendor payments and salary payments.
- ii. **Tax Authority System:** Accepts tax filings and compliance reports sent via the accounting module.
- iii. **External ERP APIs:** Allows integration with third-party ERP systems for data exchange, e.g., invoices, payments, or financial summaries.

Dependencies:

- i. **Data from other Odoo modules:** Depends on the Sales, Purchase, Inventory, and HR modules to automatically receive transaction data, minimizing manual data entry and errors.
- ii. **External banking integration:** Depends on connectivity to banking systems for statement imports and automatic payments.
- iii. **Tax system access:** Depends on integration with government or regional tax authority systems for compliant reporting.
- iv. **API integration:** Connects through APIs to connect with external ERPs, enhancing interoperability and facilitating real-time financial visibility across the platform.
- v. **User roles and access control:** Requires proper user role configurations to enable secure and compliant access for accountants, managers, and auditors.

Summary

Interactions determine who uses the module and what systems send/receive data. Dependencies emphasize systems and sources of data required by the accounting module to accurately and efficiently operate. Combined, these linkages place the accounting module at the center of business operations, facilitating smooth financial management within and between departments and systems.

2.2 SIPOC Analysis: Mapping the Accounting Value Stream in Odoo

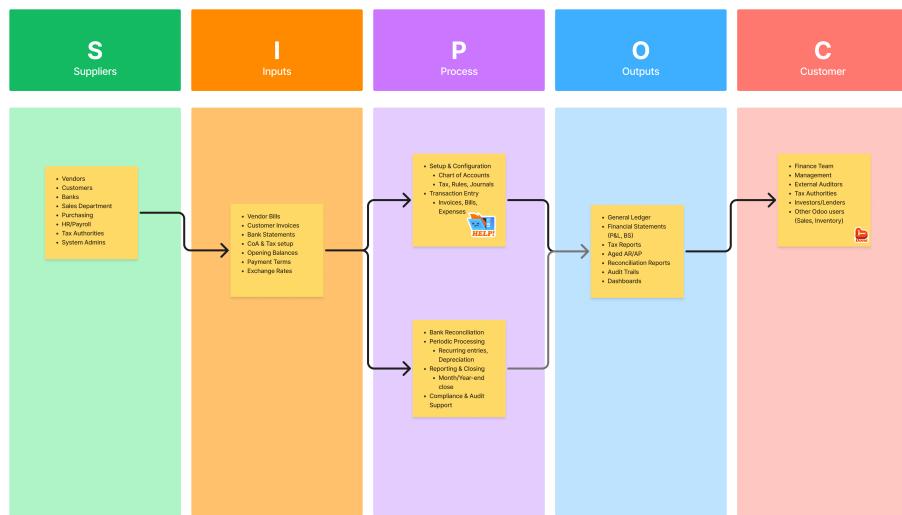


Figure 2.2: SIPOC Diagram: Odoo Accounting Module Value Stream

Detailed SIPOC Breakdown:

- **Suppliers:** These are the sources of financial data that feed into Odoo Accounting:
 - External vendors: Submit bills and invoices.
 - Customers: Generate sales invoices and make payments.
 - Banks: Provide transaction feeds via bank statements or direct integrations.
 - Internal departments:
 - * Sales: Creates customer invoices.
 - * Purchasing: Generates vendor bills.
 - * Inventory: Triggers cost of goods sold (COGS) entries.
 - * HR/Payroll: Supplies salary and expense data.
 - Tax authorities: Define tax rules, rates, and reporting formats.
 - System administrators: Configure chart of accounts, journals, and fiscal policies.

- **Inputs:** Key data and configurations required for accurate accounting:

- Vendor bills and credit notes
- Customer invoices and payments
- Bank statements (manual or automated via feeds)
- Chart of Accounts (customized to your business)
- Tax templates (VAT, GST, sales tax, etc.)
- Fiscal year and accounting period settings
- Opening balances (for migration or new setups)
- Payment terms and journal rules
- Multi-currency exchange rates (if applicable)

- **Process Steps:** Odoo automates and streamlines the following key steps:

1. Initial Setup

Configure company details, chart of accounts, taxes, journals, and payment methods.

2. Transaction Recording

Create and validate customer invoices, vendor bills, expenses, and manual journal entries.

3. Bank Reconciliation

Match bank transactions with Odoo entries using smart suggestions or manual matching.

4. Periodic Operations

Run recurring entries (e.g., rent, subscriptions), depreciation, and accruals.

5. Financial Reporting & Closing

Generate Trial Balance, Profit & Loss, Balance Sheet, and Cash Flow statements.

Perform month-end or year-end closing procedures.

6. Compliance & Audit Support

Export VAT/GST reports, maintain immutable audit trails, and archive records per legal requirements.

- **Outputs:** Odoo produces reliable, real-time financial information, including:

- General ledger and sub-ledger entries
- Financial statements (P&L, Balance Sheet, Cash Flow)
- Tax reports (e.g., VAT returns, 1099 filings)
- Aged receivables and payables reports
- Bank reconciliation summaries
- Journal entry exports (for external accountants)
- Dashboard KPIs (e.g., outstanding payments, cash position)

- **Customers:**

- Finance & Accounting Team: Daily management of books and cash flow.
- Company Leadership: Strategic decisions based on P&L and cash reports.
- External Auditors: Verification of transactions and compliance.
- Tax Authorities: Submission of statutory returns.
- Investors or Lenders: Financial health assessments.
- Other Odoo Users: Sales, Purchasing, and Inventory teams rely on accurate costing and payment status.

2.3 The Pain-Gain Canvas: Problems Solved and Value Created by the Module

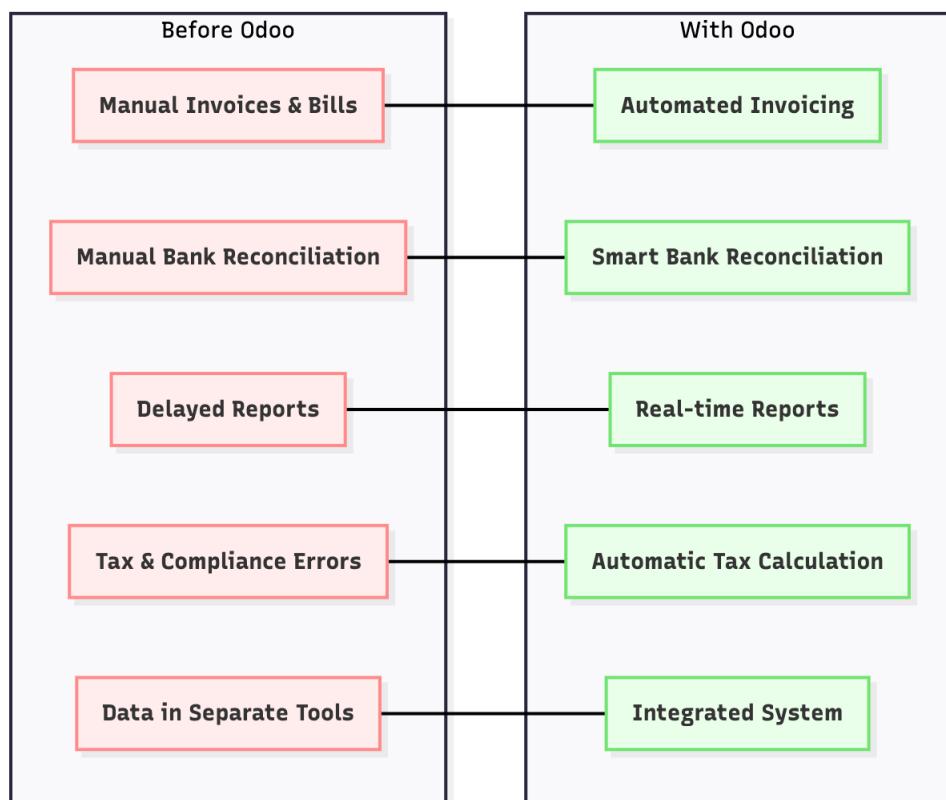


Figure 2.3: Pain-Gain Diagram: Odoo Accounting Module Value Proposition

Before Odoo	With Odoo
Typed every invoice & bill by hand in spreadsheets	Invoices & bills auto-created from Sales, Purchasing, and Expenses.
Spent hours matching bank transactions manually	Smart bank reconciliation with auto-suggestions.
Waited days for financial reports	Real-time P&L, Balance Sheet, and cash flow—anytime.
Worried about tax errors	Automatic tax calculation + one-click VAT/GST reports.
Lost track of who owes money	Clear aging reports + automatic payment reminders.
Used separate tools for sales, inventory, and accounting	All data in one system: Sales, Inventory, and Accounting connected.
Struggled during audits	Full audit trail on every entry.
Managed multiple currencies with manual calculations	Built-in multi-currency & multi-company support.

Part II

Architectural and Conceptual Framework

Chapter 3

Architectural Blueprint: Components and Containers

3.1 Defining a “Container” in the Odoo Context

In Odoo Accounting, the term “container” is not a formal or native concept. However, users coming from other systems or workflows may use “container” informally to refer to one of the following Odoo structures that group or organize financial data:

Journal Name	Type	Journal Groups	Short Code	Default Account
Customer Invoices	Sales	INV	400000 Product Sales	
Vendor Bills	Purchase	BILL	600000 Expenses	
Miscellaneous Operations	Miscellaneous	MSC		
Exchange Difference	Miscellaneous	EXCH		
Cash Basis Taxes	Miscellaneous	CABA		
Cash	Cash	CSH1	101501 Cash	
Bank	Bank	BNK1	101404 Bank	

Figure 3.1: Journal as a Container in Odoo Accounting

1. **Journal:** A journal acts as a logical container for similar types of accounting entries. Common journals include:

- Customer Invoices (Sales Journal)
- Vendor Bills (Purchase Journal)
- Bank and Cash Journals
- Miscellaneous Journal

Each journal defines:

- The type of transactions it handles
- Default accounts and payment methods
- Numbering sequences for entries

Use Case: All sales invoices are recorded in the Customer Invoices journal, effectively “containing” all receivable transactions.

2. **Chart of Accounts:** The chart of accounts is the master list of all general ledger accounts (e.g., Assets, Liabilities, Income, Expenses). It serves as the structural container for all financial classification.

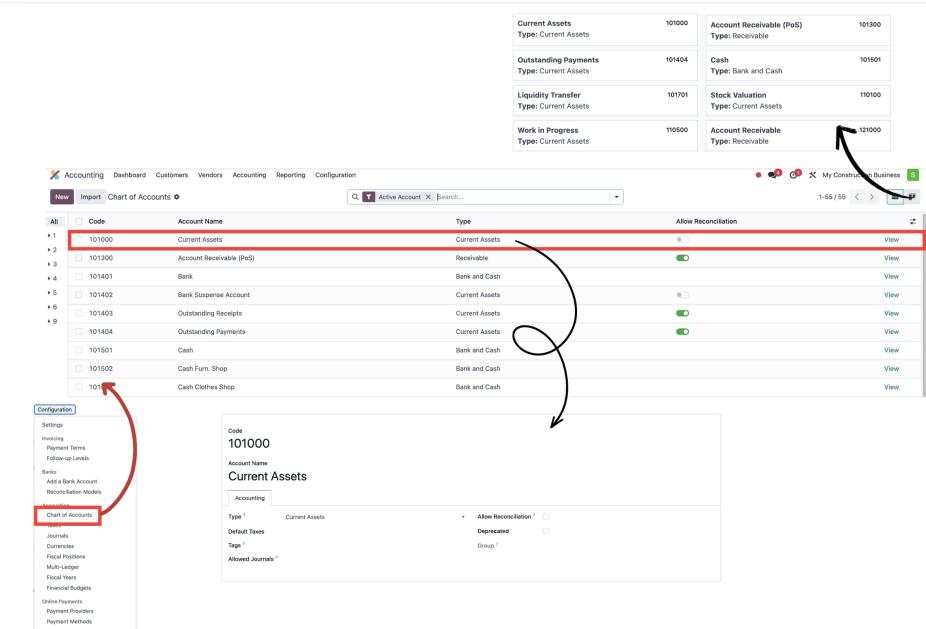


Figure 3.2: Chart of Accounts as a Container in Odoo Accounting

Use Case: Every journal entry must post to at least two accounts from this chart, ensuring consistent financial categorization.

Name	Reference	Customer	Plan	Company	Debit	Credit	Balance
Administrative			Departments	My Company	0.00	0.00	0.00
Commercial & Marketing			Departments	My Company	0.00	0.00	0.00
Field Service			Departments	My Company	0.00	0.00	0.00
Internal			Departments	My Company	6,600.00	0.00	-6,600.00
Research & Development			Departments	My Company	0.00	0.00	0.00
S00062	DOC	Deco Addict	Departments	My Company	400.00	0.00	-400.00
S00064	AGR	Deco Addict	Departments	My Company	24,680.00	0.00	-24,680.00
S00065	DPC	Ready Mat	Departments	My Company	3,800.00	0.00	-3,800.00
S00066	DECO	Deco Addict	Departments	My Company	1,300.00	0.00	-1,300.00
S00089		Odoo Inc.	Departments	My Company	1,250.00	4,244.53	2,994.53

Figure 3.3: Analytic Account as a Container in Odoo Accounting

3. Analytic Account (for Cost/Project Tracking): While not part of the general ledger, analytic accounts act as containers for tracking costs and revenues by project, department, or contract—enabling detailed profitability analysis.

Use Case: Assign an analytic account “Project Alpha” to all related expenses and invoices to monitor its financial performance separately.

4. Company or Fiscal Position (Multi-entity Context): In multi-company setups, each company functions as a legal and financial container with its own:

- Chart of accounts
- Journals
- Tax rules

- Currency settings

Similarly, fiscal positions act as rule-based containers that adapt taxes and accounts based on customer location or type.

3.2 Identifying Key Containers: Odoo Backend, Frontend, and Database

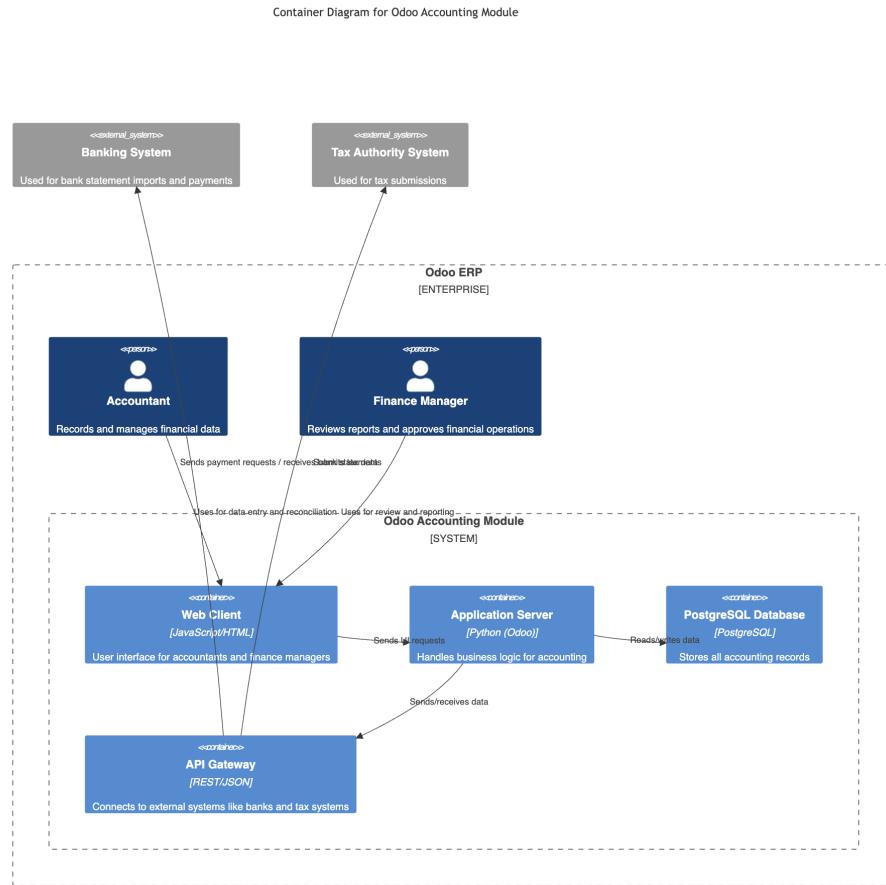


Figure 3.4: C2 Diagram

The C2 diagram highlights Odoo Accounting module technical architecture by depicting its major containers and how they interact. They include the Odoo server, the PostgreSQL database, and the Web client. Together, they form the system runtime and data-processing environment core.

In the middle lies the Odoo Server, built using Python for business logic and XML for views and configuration. The server addresses all critical accounting tasks, including invoice management, journal entry, reconciliation of accounts, and reporting. Workflow logic is managed by the server, and communication from the database to the user interface is planned.

The PostgreSQL database serves as the persistent storage for all the accounting information

customer invoices, vendor bills, journal entries, tax information, and reporting information. All of the transactions initiated on the server are stored and retrieved within this robust relational database system, ensuring data integrity and transaction validity.

The Web client, developed using JavaScript, provides the front-end interface through which users like finance managers and accountants interact with the system. These include the generation of invoices, looking at financial dashboards, bank statement reconciliation, and the generation of financial reports. The web client communicates in real-time with the Odoo server via RPC and REST calls to fetch or send data.

3.3 Mapping the Core Components of the Odoo Accounting Module

The Odoo Accounting module is a comprehensive, user-friendly financial management system designed to streamline bookkeeping, invoicing, payments, bank reconciliation, reporting, and tax compliance. Understanding its core components is essential for efficient setup, configuration, and daily use. Below is an overview of the main elements that constitute the Odoo Accounting module:

1. Chart of Accounts

The foundation of your accounting structure. Preconfigured based on your country's accounting standards (e.g., US GAAP, IFRS, local regulations). Customizable to reflect your business's specific needs. Includes asset, liability, equity, income, and expense accounts.

2. Invoicing

Customer Invoices: Create and send professional invoices with automatic tax calculation, payment terms, and multi-currency support. Vendor Bills: Record and manage bills from suppliers, track due dates, and automate payment workflows. Recurring Invoices: Set up templates for subscriptions or periodic billing.

3. Payments & Bank Transactions

Record customer payments and vendor payments manually or via integrated payment gateways. Import bank statements automatically (via bank feeds or file upload). Reconcile transactions with ease using Odoo's smart reconciliation engine.

4. Bank & Cash Accounts

Manage multiple bank and cash accounts within a single company. Track real-time balances and transaction history. Configure journals for each account type (e.g., bank, cash, petty cash).

5. Taxes & Fiscal Positions

Define tax rates (VAT, GST, sales tax, etc.) and assign them to products, customers, or regions. Use Fiscal Positions to automatically adapt taxes and accounts based on customer location or tax exemptions.

6. Reporting & Dashboards

Real-time financial reports: Profit & Loss, Balance Sheet, Cash Flow, General Ledger, Trial Balance. Customizable dashboards with key performance indicators (KPIs). Drill-down capabilities for detailed transaction analysis.

7. Multi-Company & Multi-Currency Support

Manage accounting for multiple legal entities from a single database. Handle transactions in multiple currencies with automatic exchange rate updates.

8. Integration with Other Odoo Apps

Seamless connection with Sales, Purchase, Inventory, and Expenses modules. Automatic journal entries generated from sales orders, purchase orders, or expense submissions.

9. Period Locking & Audit Trail

Lock accounting periods to prevent unauthorized changes. Full audit trail of all journal entries and modifications for compliance and transparency

10. Configuration & Settings

Company-specific settings: fiscal year, currency, tax regime, payment terms. User roles and access rights for accountants, advisors, and managers.

Chapter 4

Ecosystem Integrations

4.1 Core Odoo Integrations

Odoo's Accounting module is designed to work in harmony with other business applications within the Odoo ecosystem. These native integrations eliminate manual data entry, reduce errors, and provide real-time financial visibility across departments. Below are the key integrations that enhance the functionality of Odoo Accounting:

1. Sales Module

- Automatic Invoicing: When a sales order is confirmed and delivered, Odoo can automatically generate a customer invoice based on delivery or order confirmation rules.
- Real-Time Revenue Recognition: Sales transactions are instantly reflected in accounting journals, ensuring up-to-date income tracking.
- Payment Terms & Credit Limits: Enforced during the sales process to prevent over-billing or sales to customers exceeding credit limits.

2. Purchase Module

- Vendor Bill Automation: Purchase orders can trigger draft vendor bills upon receipt of goods or services.
- Three-Way Matching: Odoo supports matching purchase orders, received quantities, and vendor bills to prevent overpayment.
- Expense Allocation: Bills are automatically categorized using the correct expense accounts based on product or service configuration.

3. Inventory & Warehouse Management

- Automated Stock Valuation: Every inventory movement (receipts, deliveries, adjustments) generates corresponding journal entries for cost of goods sold (COGS) and stock valuation accounts.
- Real-Time Inventory Accounting: Uses perpetual inventory costing methods (FIFO, average cost, etc.) aligned with your accounting policies.
- Inter-Warehouse Transfers: Financial impact is tracked when moving stock between locations or companies.

4. Expenses Module

- Employee Expense Tracking: Employees submit expenses with receipts; upon approval, these are converted into vendor bills payable to the employee.
- Automatic GL Posting: Expense categories map directly to general ledger accounts, streamlining reimbursement and cost center allocation.
- Multi-Currency Support: Handles expenses in foreign currencies with automatic conversion using real-time or configured exchange rates.

5. Point of Sale (POS)

- Daily Sales Sync: POS transactions are batched and automatically posted to accounting journals at the end of each session.
- Cash Register Reconciliation: Cash, card, and other payment methods are reconciled against actual bank or cash accounts.
- Tax Compliance: POS applies correct tax rates per product and location, with totals flowing into tax reporting.

6. Bank Synchronization & Payment Providers

- Bank Feeds: Connect directly to banks (via supported providers or file import) to fetch transactions for automatic reconciliation.
- Online Payments: Integrated with payment acquirers (e.g., Stripe, PayPal, Adyen) to reconcile customer payments instantly.
- Payment Follow-Ups: Automated reminders and dunning processes for overdue invoices.

7. Project & Timesheets (for Service Businesses)

- Billable Time Tracking: Hours logged in timesheets can be invoiced automatically based on project contracts or hourly rates.
- Revenue Recognition: Supports milestone-based or time-and-materials billing with corresponding journal entries.

8. HR & Payroll (via Odoo Payroll or Third-Party Apps)

- Salary Expense Posting: Payroll runs generate journal entries for wages, taxes, benefits, and employer contributions.
- Liability Tracking: Accrued payroll taxes and deductions are posted to appropriate liability accounts.

9. Multi-Company & Intercompany Transactions

- Automated Intercompany Invoicing: When one company in your Odoo database sells to another, matching customer and vendor invoices are created automatically.
- Consolidated Reporting: Financial data from all companies can be consolidated for group-level reporting.

10. CRM (Indirect but Strategic)

- While CRM doesn't post directly to accounting, won deals in CRM convert to sales orders, which then flow into invoicing and revenue tracking—closing the loop from lead to ledger.

4.2 External System Integrations

While Odoo provides a powerful, all-in-one business suite, many organizations need to integrate their accounting system with external platforms such as banks, tax authorities, payment gateways, eCommerce sites, or legacy ERP systems. Odoo Accounting supports a range of external integrations—both native and via APIs or third-party connectors—to ensure seamless data exchange, regulatory compliance, and operational efficiency.

1. Bank & Financial Institution Integration

- Automated Bank Feeds: Connect directly to your bank using supported protocols (e.g., OFX, CAMT.053, or regional standards like PSD2 in Europe) to import transactions automatically.
- Reconciliation: Imported bank statements are matched with Odoo invoices and payments using smart reconciliation rules, drastically reducing manual effort.
- Supported via: Odoo's built-in bank synchronization, third-party apps (e.g., Plaid, Yodlee, or local banking connectors), or direct file uploads (CSV, QIF, MT940).

2. Tax Compliance & e-Invoicing Platforms

- Real-Time Tax Calculation: Integrate with services like Avalara, Vertex, or TaxJar for accurate, up-to-date sales tax, VAT, or GST calculations based on customer location and product type.
- Mandatory e-Invoicing: In countries requiring electronic invoicing (e.g., Italy, Mexico, Brazil, Saudi Arabia), Odoo can connect to government-approved platforms (e.g., FatturaPA, SAT, ZATCA) via certified partners or built-in localization modules.
- Digital Tax Reporting: Submit VAT returns directly to tax authorities through integrations like Making Tax Digital (MTD) in the UK or SII in Spain.

3. Payment Gateways

- Accept online payments and auto-reconcile them in accounting: Stripe, PayPal, Adyen, Authorize.Net, Razorpay, and more.
- Payments received through these gateways are automatically linked to customer invoices, updating payment status and reducing reconciliation time.
- Multi-currency and refund handling are fully supported.

4. eCommerce Platforms

- Shopify, WooCommerce, Magento, and Amazon can be connected via Odoo's eCommerce connectors or middleware (e.g., Zapier, Make, or Celigo).
- Sales orders from external stores sync into Odoo, triggering automatic invoicing and inventory updates.
- Ensures consistent financial records across online sales channels.

5. Payroll & HR Systems

- If using an external payroll provider (e.g., ADP, Gusto, BambooHR, or local payroll bureaus), journal entries for salary expenses, taxes, and deductions can be imported via CSV or API.
- Use Odoo's Journal Import feature to post summarized payroll data into the general ledger without manual entry.

6. Legacy ERP or Custom Systems

- API-Driven Integration: Odoo provides a robust RESTful API and XML-RPC interface to exchange data with legacy systems.
- Examples: Sync customer/vendor master data, post journal entries, or retrieve account balances.
- Middleware Solutions: Tools like Zapier, Make (Integromat), Dell Boomi, or custom ETL scripts can bridge Odoo with virtually any external database or application.

7. Document Management & E-Signature

- Integrate with DocuSign, Adobe Sign, or PandaDoc to send invoices for electronic signature and store signed copies in Odoo's document management system.
- Improves audit trails and accelerates approval workflows.

8. Audit & Compliance Tools

- Export financial data in standardized formats (e.g., SAF-T, XBRL) for auditors or regulators.
- Connect with compliance platforms for continuous monitoring and reporting.

Chapter 5

Core Concepts and Key Digital Documents

5.1 Key Concepts:

To use Odoo Accounting effectively, it's essential to understand its foundational concepts. These "building blocks" form the backbone of your financial operations, ensure compliance, support decision-making, and enhance customer interaction. This section explains four key pillars:

1. Chart of Accounts (The Financial Blueprint)

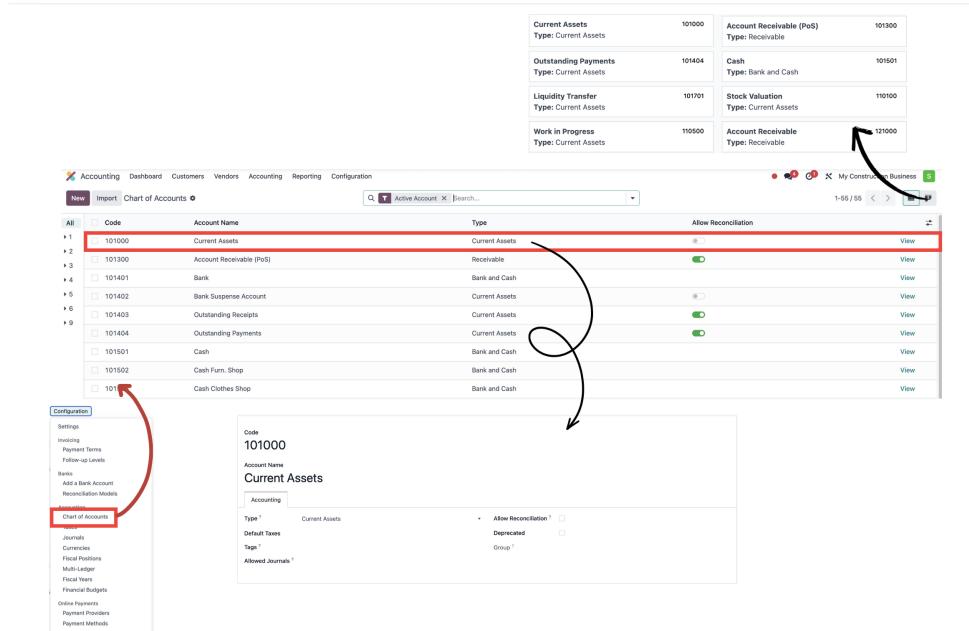


Figure 5.1: COA

The Chart of Accounts (CoA) is the structured list of all general ledger accounts used to categorize and track financial transactions. It serves as the foundation of your accounting system.

- Structure: Organized into five main types:
 - Assets (e.g., Cash, Accounts Receivable, Inventory)
 - Liabilities (e.g., Accounts Payable, Loans)

- Equity (e.g., Retained Earnings, Owner's Capital)
- Income/Revenue (e.g., Sales, Service Income)
- Expenses (e.g., Rent, Utilities, Salaries)
- Customization: While Odoo provides country-specific default charts (aligned with local GAAP or IFRS), you can add, modify, or archive accounts to match your business model.
- Account Codes: Unique identifiers (e.g., 400000 for Sales) enable fast searching and reporting.
- Best Practice: Avoid creating too many accounts—keep your CoA clean and scalable.

2. Fiscal Localization (Compliance by Design)

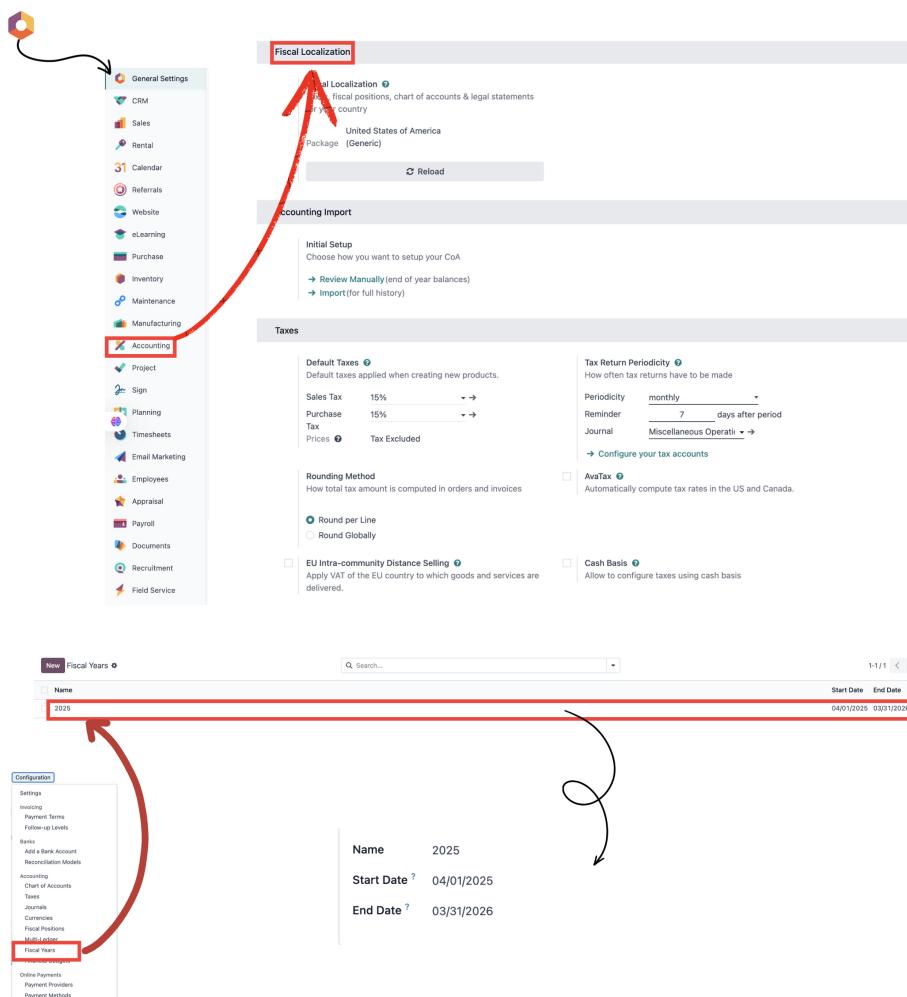


Figure 5.2: Fiscal Localization

Odoo's Fiscal Localization ensures your accounting setup complies with your country's tax laws, reporting standards, and legal requirements.

- Preconfigured Templates: When you select your country during setup, Odoo automatically loads:

- A compliant Chart of Accounts
- Standard tax rates (VAT, GST, Sales Tax, etc.)
- Legal report formats (e.g., VAT returns, balance sheet layouts)
- Mandatory Features by Region:
 - EU: VAT reporting, Intrastat declarations
 - India: GST-compliant invoicing, HSN/SAC codes
 - Saudi Arabia/UAE: ZATCA-compliant e-invoicing (Phase 2)
 - USA: 1099 reporting, sales tax by jurisdiction
- Updates: Odoo regularly updates localizations to reflect regulatory changes—especially in Enterprise editions.

3. Financial Reporting (Insights at a Glance)

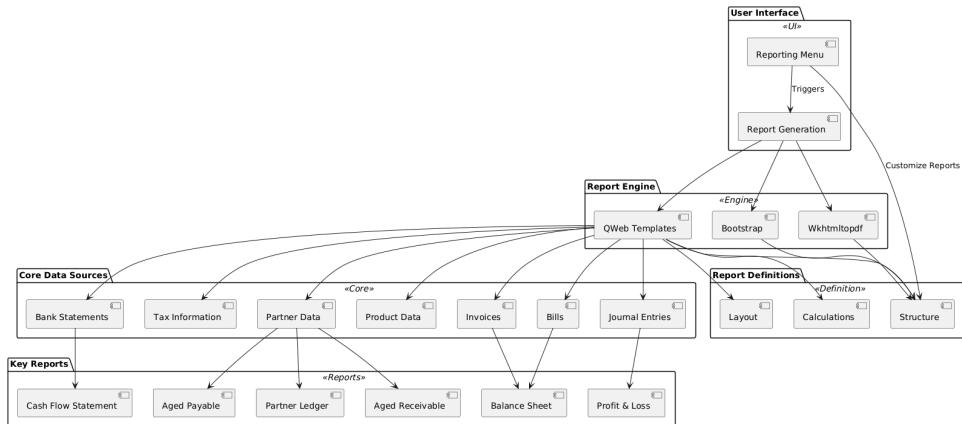


Figure 5.3: Report Architecture

Odoo provides real-time, dynamic financial reports that help you monitor performance, meet statutory obligations, and make informed decisions.

Key built-in reports include:

- Profit & Loss (Income Statement): Shows revenues, costs, and net profit over a period.
- Balance Sheet: Displays assets, liabilities, and equity at a point in time.
- Cash Flow Statement: Tracks cash inflows and outflows from operating, investing, and financing activities.
- General Ledger: Detailed log of all journal entries by account.
- Trial Balance: Summarizes debit and credit balances to verify accounting accuracy.
- Aged Receivables/Payables: Analyzes outstanding customer/vendor balances by due date.

All reports are:

- Filterable by date, journal, account, or analytic dimension

- Exportable to PDF or Excel
- Customizable using Odoo's reporting engine (Enterprise)

5.2 Important Documents in the Workflow:

1. Customer Invoice

Number	Customer	Invoice Date	Due Date	Activities	Tax Excluded	Total	Total in Currency	Payment Status	Status
INV/2025/00003	Deco Addict	09/08/2025	20 days ago	Follow-up on payment	\$ 19,250.00	\$ 22,137.50	\$ 22,137.50	Not Paid	Posted
INV/2025/00002	Deco Addict	09/08/2025	20 days ago	Call	\$ 41,750.00	\$ 48,012.50	\$ 48,012.50	Not Paid	Posted
INV/2025/00004	Deco Addict	09/07/2025	51 days ago		\$ 31,750.00	\$ 36,512.50	\$ 36,512.50	Not Paid	Posted
INV/2025/00001	Azure Interior	09/01/2025	In 3 days	Include upsell	\$ 31,750.00	\$ 36,512.50	\$ 36,512.50	Not Paid	Posted
						\$ 124,500.00	\$ 143,175.00		

Figure 5.4: Invoice

- Purpose: A formal request for payment sent to customers after goods/services are delivered.
- Key Elements: Invoice number, customer details, itemized list of products/services, quantities, prices, taxes, total amount due, payment terms, and due date.
- Workflow: Created from sales orders or manually; can be sent via email or printed; linked to payments and accounting entries.

2. Vendor Bill

Number	Vendor	Bill Date	Due Date	Reference	Activities	Tax Excluded	Total	Total in Currency	Payment Status	Status
BILL/2025/09/0001	Azure Interior	09/01/2025	In 3 days			\$ -30.00	\$ -34.50	\$ -34.50	Not Paid	Posted
/	#Created by: OdooBot		36 days ago		Update address	\$ 0.00	\$ 0.00	\$ 0.00	Not Paid	Draft
BILL/2018/09/0001	Azure Interior	09/17/2018	10/01/2018	INV/2018/0057		\$ -641.10	\$ -622.27	\$ -622.27	Not Paid	Posted
						\$ -671.10	\$ -666.77			

Figure 5.5: Bills

- Purpose: A document received from suppliers requesting payment for goods/services provided.
- Key Elements: Bill number, vendor details, itemized list of products/services, quantities, prices, taxes, total amount due, payment terms, and due date.
- Workflow: Created from purchase orders or manually; must be validated before payment; linked to accounts payable and expense accounts.

3. Payment Receipt

- Purpose: A confirmation document issued to customers upon receiving payment for an invoice.
- Key Elements: Receipt number, customer details, invoice reference, payment method (cash, check, bank transfer), amount paid, date of payment.
- Workflow: Generated automatically when a payment is registered against an invoice; can be emailed or printed for customer records.

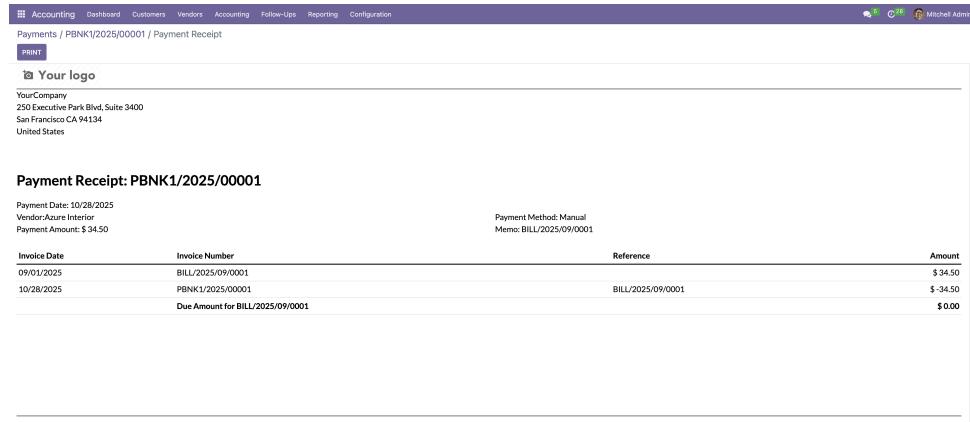


Figure 5.6: Payment Receipt

4. Bank Statement

- Purpose:** A periodic summary provided by banks detailing all transactions (deposits, withdrawals, fees) in a bank account.
- Key Elements:** Statement period, account number, transaction dates, descriptions, amounts (debit/credit), opening and closing balances.
- Workflow:** Imported into Odoo via bank feeds or file upload; used for reconciliation against recorded transactions in the accounting system.

5. Journal Entry

Date	Number	Partner	Reference	Journal	Total	Status
10/28/2025	PBNK1/2025/00001	Azure Interior	BILL/2025/09/0001	Bank	\$ 34.50	Posted
09/21/2025	BILL/2025/09/0001	Azure Interior		Vendor Bills	\$ -34.50	Posted
09/01/2025	INV/2025/00003	Deco Addict		Customer Invoices	\$ 22,137.50	Posted
09/01/2025	INV/2025/00002	Deco Addict		Customer Invoices	\$ 48,012.50	Posted
09/01/2025	INV/2025/00004	Deco Addict		Customer Invoices	\$ 36,512.50	Posted
09/01/2025	INV/2025/00001	Azure Interior		Customer Invoices	\$ 36,512.50	Posted
01/01/2025	BNK1/2025/00008			Bank	\$ 96.67	Posted
01/01/2025	BNK1/2025/00007	Deco Addict		Bank	\$ 750.00	Posted
01/01/2025	BNK1/2025/00006			Bank	\$ 102.78	Posted
01/01/2025	BNK1/2025/00005	Azure Interior		Bank	\$ 2,000.00	Posted
01/01/2025	BNK1/2025/00004	Azure Interior		Bank	\$ 650.00	Posted
01/01/2025	BNK1/2025/00003			Bank	\$ 32.58	Posted
01/01/2025	BNK1/2025/00002	Azure Interior		Bank	\$ 1,275.00	Posted
01/01/2025	BNK1/2025/00001			Bank	\$ 5,103.00	Posted
09/01/2018	BILL/2018/09/0001	Azure Interior	INV/2018/0057	Vendor Bills	\$ -922.27	Posted
						\$ 152,562.78

Figure 5.7: Journal Entry

- Purpose:** The fundamental record of all financial transactions in double-entry bookkeeping.
- Key Elements:** Entry date, description/narration, debit and credit accounts with amounts, reference numbers (invoice/bill), and any analytic tags.
- Workflow:** Automatically created from invoices, bills, payments, and other transactions; can also be entered manually for adjustments or corrections; forms the basis

Part III

The Operational View: Workflows and Processes

Chapter 6

The Customer Journey: A Workflow Deep Dive

Customer Journey in Odoo Accounting

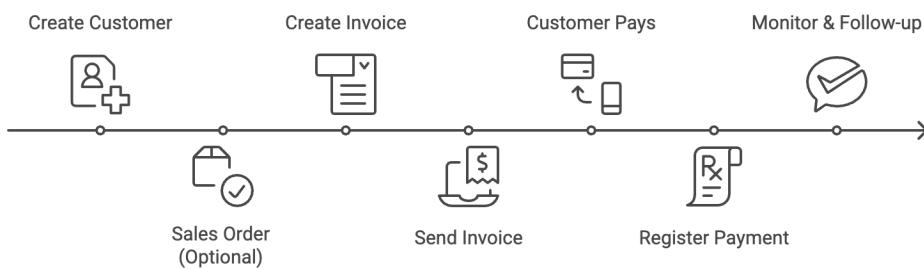


Figure 6.1: Customer Journey

This journey illustrates the end-to-end process of managing a customer from onboarding to payment reconciliation using Odoo Accounting.

1. Create a Customer

Purpose: Register a new customer in the system to enable invoicing and financial tracking.

Steps:

- Go to Accounting (or Invoicing) app.
- Navigate to Customers → Customers.
- Click Create.
- Fill in the following details:
 - Customer Name
 - Email, Phone, Address
 - Accounting-related info (e.g., Payment Terms, Fiscal Position, Salesperson)
 - (Optional) Set Customer Rank to ensure they appear in customer lists.

- Click Save.

Tip: You can also create a customer directly from a Sales Order or Invoice.

2. Create a Sales Order (Optional – if using Sales app)

If your business uses the Sales app alongside Accounting:

- Go to Sales → Orders → Quotations.
- Create a new quotation for the customer.
- Confirm the quotation → it becomes a Sales Order.
- Click Create Invoice to generate a draft invoice.

If you don't use the Sales app, skip to Step 3 and create an invoice directly.

3. Create a Customer Invoice

Purpose: Issue a bill to the customer for goods or services provided.

Steps:

- Go to Accounting → Customers → Invoices.
- Click Create.
- Select the Customer.
- Add invoice lines:
 - Product/Service
 - Quantity
 - Unit Price
 - Taxes (if applicable)
- Odoo auto-calculates totals, taxes, and applies payment terms.
- Click Save to keep as draft, or Confirm to validate the invoice.
- (Optional) Click Send by Email to deliver the invoice.

Once confirmed, the invoice status changes to Posted, and the accounting entries are created.

4. Send Invoice to Customer

- Use the Send by Email button to email the invoice directly from Odoo.
- Attachments and custom templates can be configured under Settings → Technical → Email Templates.

5. Receive Payment

Purpose: Record payment received from the customer.

Option A: Register Payment from Invoice

- Open the Posted Invoice.

- Click Register Payment.
- Select:
 - Payment Method (e.g., Bank, Cash, Credit Card)
 - Journal (e.g., Bank account)
 - Amount (usually auto-filled)
 - Payment Date
- Click Save & Confirm.

Option B: Create Payment via Customer Statement

- Go to Accounting → Customers → Customers.
- Open the customer record.
- Click Register Payment from the customer dashboard.
- Select the invoice(s) to reconcile.
- Fill in payment details and confirm.

Odoo automatically reconciles the payment with the invoice and updates the customer's balance.

6. Reconcile & Monitor Receivables

- View outstanding invoices under Accounting → Reporting → Aged Receivables.
- Use Customer Ledger (from customer form) to see full transaction history.
- Unpaid invoices appear in Follow-up reports if payment reminders are configured.

7. Handle Partial Payments or Credit Notes (if needed)

- Partial Payment: Use the Register Payment option and enter a lower amount. The invoice remains partially open.
- Credit Note (Refund):
 - Open the invoice.
 - Click Reverse (or Create Credit Note).
 - Choose reason and confirm.
 - The credit note can be refunded or applied to future invoices.

8. Generate Reports Common reports for customer accounting:

- Customer Statements
- Aged Receivables
- Invoices Analysis
- Payment Reports
- Access via Accounting → Reporting.

6.1 From Anonymous Visitor to Engaged Customer: A Detailed Sequence Diagram

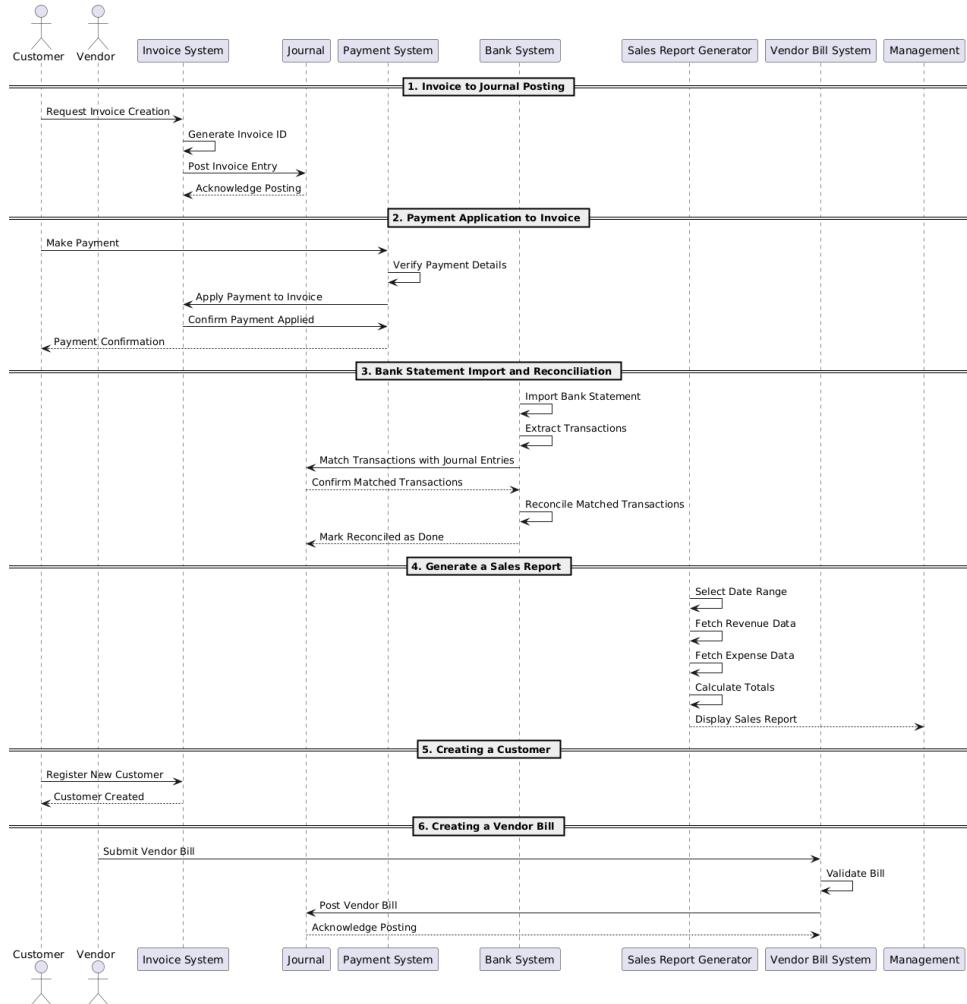


Figure 6.2: Sequence Diagram

Overview of key processes:

1. Invoice to Journal Posting:

- Customer asks system to generate invoice from the Invoice System.
- System generates invoice ID, posts invoice to Journal, and receives acknowledgment.

2. Payment Application to Invoice:

- Customer applies payment via the Payment System.
- Payment details are verified, applied to invoice, and payment confirmation is signaled.

3. Bank Statement Import & Reconciliation:

- The Bank System imports bank statements, extracts and reconciles transactions with journal entries.

-Confirmed and reconciled matched transactions, and status is done.

4. Generating a Sales Report:

-The system facilitates choosing a date range, fetching revenue and expenses, summing totals, and returning the sales report.

5. Creating a Customer:

-New customers are inserted via the system, and creating a customer is triggered.

6. Creating a Vendor Bill:

-Vendors submit bills, which are validated and posted by the Vendor Bill System, with acknowledgment.

6.2 BPMN Diagram: The End-to-End Core Process

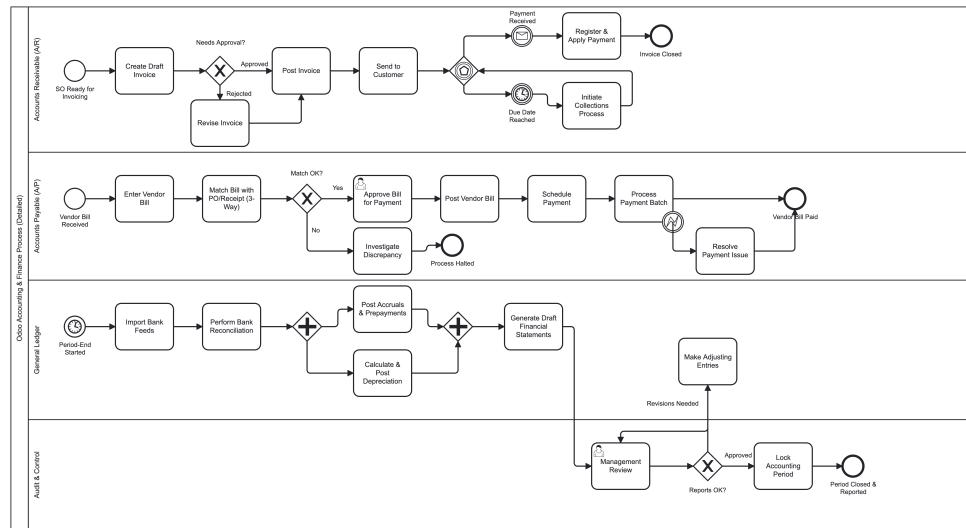


Figure 6.3: BPMN Diagram

The Odoo Accounting & Finance process is organized into four major functional areas: Accounts Receivable (A/R), Accounts Payable (A/P), General Ledger, and Audit & Control. Each area follows a structured workflow designed to ensure accuracy, compliance, and timely financial reporting. In Accounts Receivable, the journey begins when a Sales Order is ready for invoicing — Odoo allows you to create a draft invoice directly from the order, which can then be reviewed and approved if required. Once approved, the invoice is posted to the ledger and sent to the customer. From there, the system monitors two possible triggers: either a payment is received (which leads to registering and applying the payment to close the invoice), or the due date is reached without payment, prompting an automatic collections process to follow up with the customer. In Accounts Payable, the cycle starts when a vendor bill is received — it must first be entered into Odoo and matched against the original purchase order and goods receipt (a 3-way match) to ensure accuracy. If the match is correct, the bill is approved for payment; if not, discrepancies are investigated and resolved before proceeding. Once approved,

the bill is posted, payment is scheduled, and processed in batches — any issues during payment processing are flagged and resolved before finalizing the “Vendor Bill Paid” status. The General Ledger section handles period-end closing activities: once the accounting period begins, bank feeds are imported and reconciled with ledger entries. Simultaneously, accruals, prepayments, and depreciation are calculated and posted. These adjustments feed into the generation of draft financial statements, which are then reviewed by management. If revisions are needed, adjusting journal entries are made and the statements are regenerated until they’re accurate. Finally, under Audit & Control, the completed financial reports undergo a formal management review. If everything is approved, the accounting period is locked to prevent further changes — ensuring data integrity and audit readiness. This entire flow ensures that every transaction is tracked, verified, and reported accurately, supporting both operational efficiency and financial governance within Odoo.

6.3 Step-by-Step Breakdown of the Customer Journey

Accounts Receivable (A/R) – Customer Invoicing & Collections

“How we bill customers and collect payments.”

Process Flow:

1. SO Ready for Invoicing (Start Event)

→ Triggered when a Sales Order (SO) is confirmed or ready to be invoiced.

2. Create Draft Invoice

→ Generate invoice from SO or manually. You can edit lines, taxes, and payment terms.

3. Needs Approval? (Decision Gateway)

- Approved → Proceed to “Post Invoice”
- Rejected → “Revise Invoice” → Loop back to editing

In Odoo: Enable approval workflows under Settings → Accounting → Configuration → Invoice Approval.

4. Post Invoice

→ Finalize invoice. Creates accounting entries (Debit: Accounts Receivable, Credit: Revenue).

5. Send to Customer

→ Email or print invoice. Odoo tracks delivery status and due dates.

6. Payment Received (Message Event)

→ Customer pays via bank transfer, card, etc. Triggers next step.

7. Register & Apply Payment

→ Record payment against invoice. Odoo auto-reconciles and closes invoice.

8. Invoice Closed (End Event)

→ Transaction complete. Customer balance updated.

9. Due Date Reached (Timer Event)

→ If no payment received by due date → triggers “Initiate Collections Process”

Collections Process: Send reminders, escalate to finance team, or mark as overdue.

Accounts Payable (A/P) – Vendor Bill Processing & Payments

“How we receive, verify, and pay vendor bills.”

Process Flow:

1. Vendor Bill Received (Start Event)

→ Physical or digital bill received from supplier.

2. Enter Vendor Bill

→ Input bill details: vendor, amount, date, taxes, account, etc.

3. Match Bill with PO/Receipt (3-Way Match)

→ Verify bill matches:

- Purchase Order (PO)
- Goods Receipt (Delivery)
- Bill Amount

Ensures you only pay for what you ordered AND received.

4. Match OK? (Decision Gateway)

Yes → “Approve Bill for Payment” No → “Investigate Discrepancy” → “Process Halted”

If mismatch: Contact vendor, adjust quantities/prices, or reject bill.

5. Approve Bill for Payment

→ Manager or authorized user approves. Can be automated based on thresholds.

6. Post Vendor Bill

→ Create accounting entry (Debit: Expense, Credit: Accounts Payable).

7. Schedule Payment

→ Set payment date based on terms (e.g., Net 30). Can be batched.

8. Process Payment Batch

→ Run payment batch (bank transfer, check, etc.). Odoo generates payment records.

9. Resolve Payment Issue (Error Handling)

→ If payment fails (e.g., insufficient funds), resolve issue → retry payment.

10. Vendor Bill Paid (End Event)

→ Payment recorded. Accounts Payable cleared.

General Ledger – Period-End Closing & Financial Reporting

“How we close the books and prepare financial statements.”

Process Flow:

1. Period-End Started (Timer Event)

→ Monthly/quarterly closing cycle begins.

2. Import Bank Feeds

→ Sync bank transactions automatically (if connected) or upload CSV.

3. Perform Bank Reconciliation

→ Match bank transactions with Odoo entries. Resolve discrepancies.

4. Post Accruals & Prepayments

→ Record expenses incurred but not yet billed (accruals) or paid in advance (prepayments).

5. Calculate & Post Depreciation

→ Automate depreciation for fixed assets (if module installed).

6. Generate Draft Financial Statements

→ Profit & Loss, Balance Sheet, Cash Flow generated automatically.

Available under: Accounting → Reporting → Financial Reports.

7. Management Review (User Task)

→ Finance manager reviews draft reports for accuracy.

8. Reports OK? (Decision Gateway)

- Approved → Proceed to lock period
- Revisions Needed → “Make Adjusting Entries” → Loop back to report generation

Adjusting entries fix errors or reflect accruals, deferrals, etc.

Audit & Control – Final Review & Period Locking

“Final checks before closing the accounting period.”

Process Flow:

1. Management Review (Continued from General Ledger)

→ Senior management or auditor reviews financials.

2. Reports OK? (Decision Gateway)

- Approved → “Lock Accounting Period”
- Revisions Needed → Return to adjusting entries

3. Lock Accounting Period

→ Prevents any further changes to past transactions. Ensures data integrity.

In Odoo: Go to Accounting → Configuration → Settings → Lock Dates.

4. Period Closed & Reported (End Event)

→ Officially closed. Financial statements finalized and distributed.

Chapter 7

Daily Operations and Integrated Processes

7.1 The Daily Accounting Operations Process

To maintain accurate, up-to-date financial records and ensure smooth cash flow, it's essential to perform routine accounting tasks daily in Odoo. This section outlines the key daily activities for your finance team using the Odoo Accounting (Invoicing) module.

Recommended: Assign these tasks to a responsible team member (e.g., Accounts Receivable Clerk, Bookkeeper) and complete them before end-of-day.

1. Review and Process New Sales Orders (If Using Sales App)
 - Go to Sales → Orders → Confirmed Orders
 - Identify orders ready for invoicing (e.g., delivered or service completed).
 - Click Create Invoice → Choose “Invoiceable lines” → Validate.
 - Tip: Use the “Invoicing” smart button on customer records for quick access.
2. Create and Send Customer Invoices
 - Navigate to Accounting → Customers → Invoices
 - Create invoices for:
 - New services delivered
 - Recurring subscriptions (use Recurring Invoices if configured)
 - Manual billing requests
 - Confirm the invoice to post it.
 - Click Send by Email to deliver instantly.
 - Ensure payment terms and due dates are correctly set.
3. Record and Reconcile Incoming Payments
 - Go to Accounting → Customers → Payments
 - Register payments received via:
 - Bank transfer

- Cash
 - Credit card
 - Online payment gateways (e.g., Stripe, PayPal)
 - Match payments to open invoices using Reconciliation:
 - Go to Accounting → Dashboard → Bank & Cash
 - Click on your bank journal → Reconcile
 - Match bank lines with customer invoices automatically or manually.
- Odoo auto-suggests matches based on amount, date, and reference.

4. Process Vendor Bills and Payments

- Check Accounting → Vendors → Bills for newly received bills.
- Validate bills after verifying:
 - Purchase Order match
 - Goods receipt confirmation
 - Correct tax and account coding
- For bills due today:
 - Go to Accounting → Vendors → Payments
 - Create a payment batch or pay individually.
 - Confirm payment and print/check payment status.

5. Monitor Overdue Invoices & Send Reminders

- Go to Accounting → Reporting → Aged Receivables
- Identify customers with overdue invoices.
- Use Follow-ups (if configured):
 - Go to Accounting → Customers → Follow-ups
 - Odoo auto-generates reminders based on your follow-up levels.
 - Click Send Reminder or call the customer directly.

Configure follow-up levels under: Accounting → Configuration → Follow-up Levels.

6. Review Bank & Cash Transactions

- Open Accounting → Dashboard → Bank & Cash
- Ensure all daily bank transactions are:
 - Imported (via bank sync or manual upload)
 - Reconciled with Odoo entries
- Investigate and resolve any unreconciled items immediately.

7. Backup & System Checks (Optional but Recommended)

- Verify that:

- Automated bank feeds are syncing
- Email templates for invoices are working
- User permissions are up to date

7.2 Operational Workflow

This workflow outlines the standard operating procedures for managing financial transactions in Odoo, from customer onboarding to period closing. It ensures accuracy, compliance, and efficiency across Accounts Receivable (A/R), Accounts Payable (A/P), Bank Reconciliation, and Financial Reporting.

Scope: Applies to businesses using Odoo Accounting (Invoicing)—with or without Sales, Purchase, or Helpdesk modules.

1. Customer & Vendor Setup

(a) Create Customer

- Go to Accounting → Customers → Customers → Create
- Enter:
 - Name, email, address
 - Payment Terms (e.g., Net 30)
 - Fiscal Position (if multi-country)
 - Salesperson (optional)
- Save → Odoo auto-creates a receivable account.

(b) Create Vendor

- Go to Accounting → Vendors → Vendors → Create
- Enter vendor details and default expense account.
- Assign Payment Terms and preferred Payment Method.

Tip: Enable “Vendor Bills” and “Customer Invoices” in contact settings.

2. Invoicing & Billing (Accounts Receivable)

(a) Create Customer Invoice

- From Sales Order (if using Sales app) → Create Invoice, OR
- Manually: Accounting → Customers → Invoices → Create
- Add products/services, taxes, and discounts.
- Click Confirm to post → Status: Posted

(b) Send Invoice

- Open invoice → Click Send by Email
- Odoo uses your configured email template and tracks delivery.

(c) Handle Recurring Invoices (Optional)

- Use Accounting → Recurring Invoices for subscriptions or retainers.
- Set frequency, start/end date, and auto-post rules.

3. Payment Collection & Reconciliation

(a) Receive Payment

- Customer pays via bank transfer, card, cash, etc.

(b) Register Payment

- Option A: From invoice → Register Payment
- Option B: Accounting → Customers → Payments → Create
 - Select customer, journal (e.g., Bank), amount, date
 - Click Save & Confirm

(c) Reconcile Bank Transactions

- Go to Accounting → Dashboard → Bank & Cash
- Click your bank journal → Reconcile
- Match incoming payments with open invoices (Odoo suggests matches)
- Click Validate to complete reconciliation

Unreconciled items appear in red—resolve daily.

4. Vendor Bill Processing (Accounts Payable)

(a) Enter Vendor Bill

- Accounting → Vendors → Bills → Create
- Select vendor, add bill lines (product/account, tax, amount)
- Attach PDF if available

(b) Validate Bill

- Click Confirm → Status: Posted
- Accounting entry created:
Debit: Expense Account | Credit: Accounts Payable

(c) Pay Vendor Bill

- From bill → Register Payment, OR
- Use Payment Batches:
Accounting → Vendors → Payments → Create Batch
- Select bills → Choose payment method → Confirm

5. Bank & Cash Management

(a) Import Bank Statements

- Connect bank via Bank Synchronization (Plaid, Yodlee, etc.), OR
- Upload CSV/OFX file: Bank Journal → Import

(b) Daily Reconciliation

- Reconcile all transactions within 24–48 hours
 - Investigate discrepancies (e.g., fees, failed payments)
- (c) Manage Petty Cash (If Applicable)
- Use a Cash Journal for small expenses
 - Record via Accounting → Dashboard → Cash → New Transaction

6. Financial Reporting & Period Close

- (a) Run Key Reports Weekly
- Aged Receivables: Track overdue customer invoices
→ Accounting → Reporting → Aged Receivables
 - Aged Payables: Monitor upcoming vendor payments
 - General Ledger: Review all journal entries
- (b) Month-End Closing Steps
- Reconcile all bank & cash accounts
 - Post recurring entries (rent, depreciation, etc.)
 - Review and post accruals/prepayments
 - Generate Financial Statements:
 - Profit & Loss
 - Balance Sheet
 - Cash Flow Statement
→ Accounting → Reporting → Financial Reports
 - Management Review: Validate numbers with stakeholders
 - Lock the Accounting Period:
 - Go to Accounting → Configuration → Settings → Lock Dates
 - Set Lock Date for Non-Advisers (e.g., last day of month)

Locked periods prevent unauthorized edits—critical for audit compliance.

7. Audit, Compliance & Controls

- User Access: Restrict journal/posting rights via Settings → Users & Companies
- Approval Workflows: Enable for invoices/bills over threshold
→ Accounting → Configuration → Settings → Approval
- Audit Trail: All entries show user, timestamp, and original data
- Backups: Ensure daily database backups (via Odoo.sh or server)

7.3 Operational Integration

Odoo Accounting is designed as the financial backbone of your business and integrates natively with other Odoo modules—eliminating manual data entry, reducing errors, and ensuring real-time financial visibility. This section outlines key operational integrations and how they enhance your accounting processes.

Note: All integrations described below are native (no third-party connectors required) when using Odoo's standard apps.

1. Integration with Sales

How It Works:

- When a Sales Order is confirmed and delivered, you can create an invoice directly from the order.
- Odoo auto-populates:
 - Customer
 - Products/services
 - Quantities, prices, and taxes
 - Payment terms (from customer or order)

Benefits:

- No duplicate data entry
- Revenue recognized only when goods/services are delivered
- Real-time tracking of uninvoiced sales

Where to Use:

- Sales → Orders → [Order] → Create Invoice
- Invoices appear instantly in Accounting → Customers → Invoices

2. Integration with Purchase

How It Works:

- When you receive products from a vendor, Odoo can auto-generate a draft bill based on the Purchase Order (PO) and Receipt.
- Supports 3-way matching: PO vs. Receipt vs. Bill

Benefits:

- Prevents overpayment
- Ensures you only pay for goods actually received
- Streamlines vendor bill approval

Where to Use:

- Purchase → Orders → [PO] → Create Bill
- Bills appear in Accounting → Vendors → Bills

3. Integration with Inventory

How It Works:

- Every stock movement (receipt, delivery, internal transfer) triggers automated accounting entries based on your product costing method (FIFO, Average, Standard).
- Example:

Delivering a product → Debits Cost of Goods Sold (COGS), Credits Inventory Asset

Benefits:

- Accurate COGS and gross margin reporting
- Real-time inventory valuation in the Balance Sheet
- No manual journal entries for stock movements

Configuration:

- Set Accounting tab on each product (Income, Expense, COGS, Inventory accounts)
- Define valuation method in Inventory → Configuration → Settings

4. Integration with Expenses

How It Works:

- Employees submit expenses via Expenses app.
- Approved expenses auto-create vendor bills (with employee as vendor).
- Reimbursed via payment batch or direct transfer.

Benefits:

- Full audit trail from receipt → approval → reimbursement → GL posting
- Categorize by project, analytic account, or expense type

Where to Use:

- Expenses → My Expenses → Submit
- Bills appear in Accounting → Vendors → Bills (vendor = employee)

5. Integration with Subscriptions & Recurring Billing

How It Works:

- Define subscription products (e.g., SaaS plans, retainers).
- Odoo auto-generates invoices on schedule (monthly, quarterly, etc.).
- Supports prorated charges, discounts, and upgrades/downgrades.

Benefits:

- Predictable recurring revenue
- Reduced billing admin
- Automatic dunning for failed payments (with payment tokens)

Where to Use:

- Subscriptions → Subscriptions → Create
- Invoices appear in Accounting → Recurring Invoices

Part IV

Configuration, Data, and Analytics

Chapter 8

Configuration and Underlying Business Logic

8.1 Documenting Accounting Configuration Settings

Proper configuration of Odoo Accounting ensures accurate financial reporting, compliance with local regulations, and seamless integration with other business operations. This section documents all key accounting settings that must be reviewed and configured before going live—and periodically thereafter.

Access Path: Go to Accounting → Configuration → Settings (or Accounting → Configuration for advanced options).

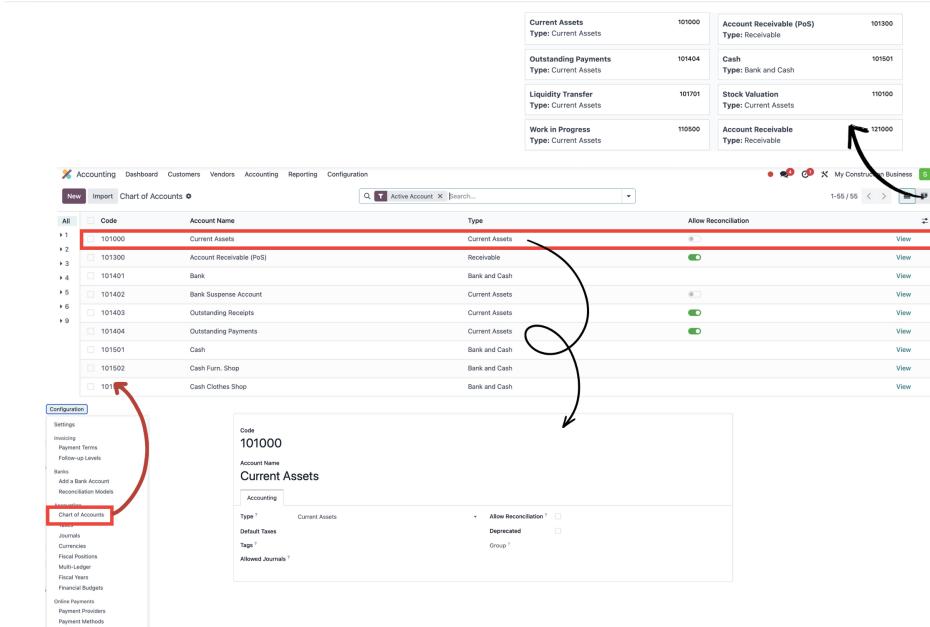


Figure 8.1: Chart of Accounts Setup

1. Chart of Accounts

Purpose:

Defines the structure of your general ledger (assets, liabilities, income, expenses, equity).

Configuration:

- Select a pre-built chart based on your country (e.g., “US GAAP”, “UK Chart of Accounts”, “French PCG”).
- Odoo auto-creates accounts, taxes, and fiscal positions.
- Do not modify account codes unless required by your accountant or local law.

Tip: You can add custom accounts later under Accounting → Chart of Accounts.

2. Company Information & Legal Details Purpose:

Figure 8.2: Company Information Setup

Ensures invoices and financial reports display correct legal entity information.

Configuration:

- Go to Settings → Companies → [Your Company]
- Fill in:
 - Legal Name (must match tax registration)
 - Address
 - Tax ID / VAT Number
 - Company Registry Number (if applicable)
- These details appear automatically on invoices, credit notes, and reports.

Critical for compliance in EU, LATAM, and other regulated regions.

3. Fiscal Year & Period Locking Purpose:

Controls when users can post journal entries and prevents unauthorized changes after closing.

Configuration:

- Fiscal Year: Usually auto-set to Jan–Dec, but can be customized (e.g., Apr–Mar).
- Lock Dates (under Accounting → Configuration → Settings):

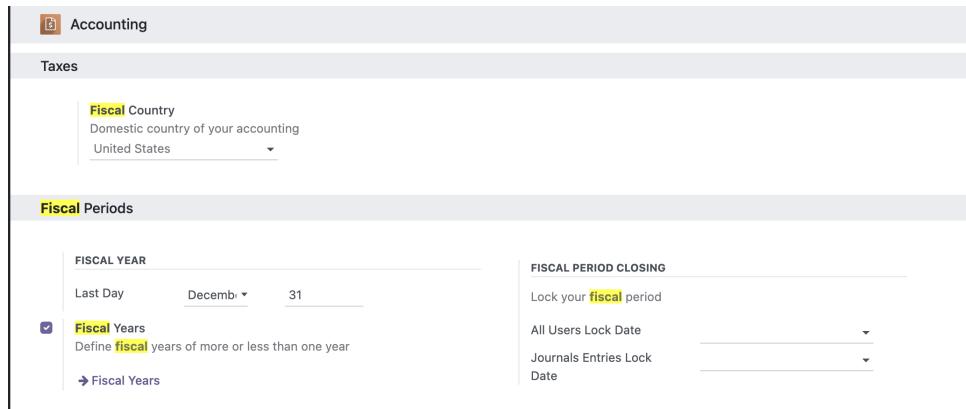


Figure 8.3: Fiscal Year & Period Locking Setup

- Lock Date for Non-Advisers: Prevents non-accountants from editing entries before this date.
- Lock Date for All Users: Hard lock—even accountants cannot edit (use after audit).

Best Practice: Lock the prior month on the 5th of the new month.

4. Payment Terms Purpose:

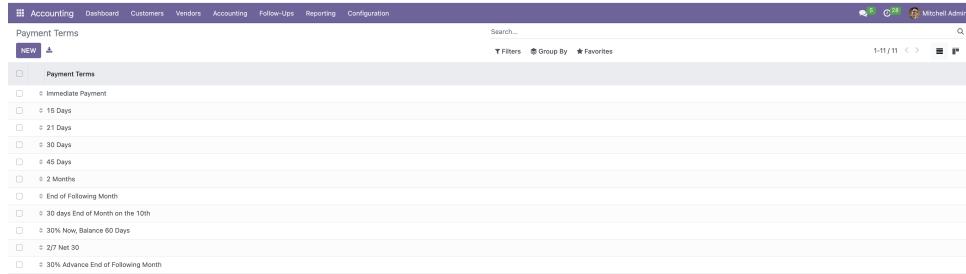


Figure 8.4: Payment Terms Setup

Defines when customers/vendors are expected to pay (e.g., Net 30, 2 Configuration:

- Go to Accounting → Configuration → Payment Terms → Create
- Set:
 - Due Days (e.g., 30)
 - Discounts (e.g., 2% if paid within 10 days)
 - Late Fees (optional)

Assign to customers/vendors or default in company settings.

Used automatically on invoices and bills.

5. Taxes & Fiscal Positions

Purpose:

Ensures correct tax calculation based on customer location and product type.

Configuration:

(a) Taxes

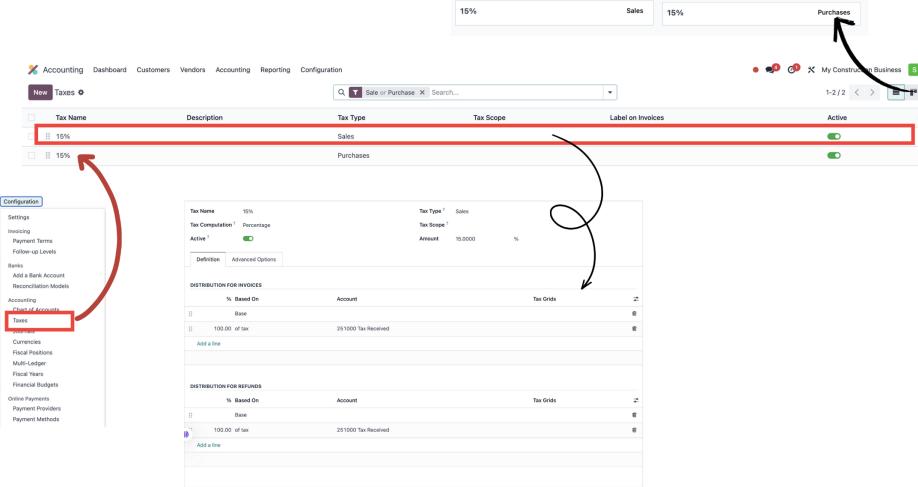


Figure 8.5: Taxes Setup

- Pre-loaded based on your country's chart of accounts.
- Verify rates (e.g., VAT 20%, Sales Tax 8.5%).
- Assign default Customer Tax and Vendor Tax in company settings.

(b) Fiscal Positions

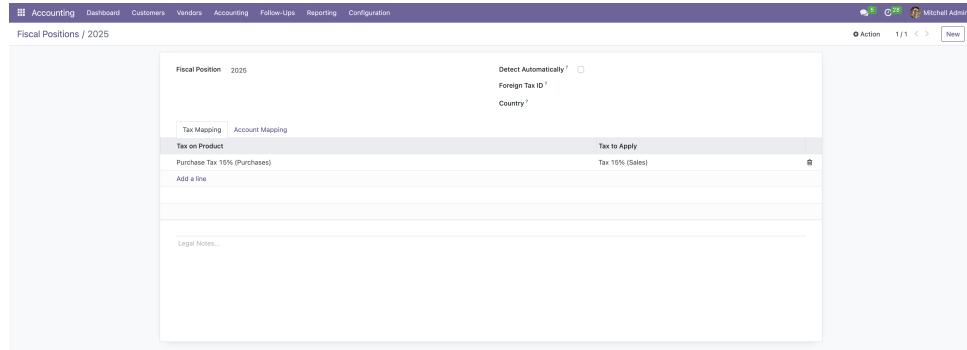


Figure 8.6: Fiscal Positions Setup

- Map taxes when customer is in a different region (e.g., EU customer → apply VAT; US customer → no VAT).
- Go to Accounting → Configuration → Fiscal Positions
- Example: “Intra-EU B2B” → sets VAT to 0% with reverse charge.

Essential for businesses selling across borders.

6. Bank & Cash Journals Purpose:

Defines how cash and bank transactions are recorded.

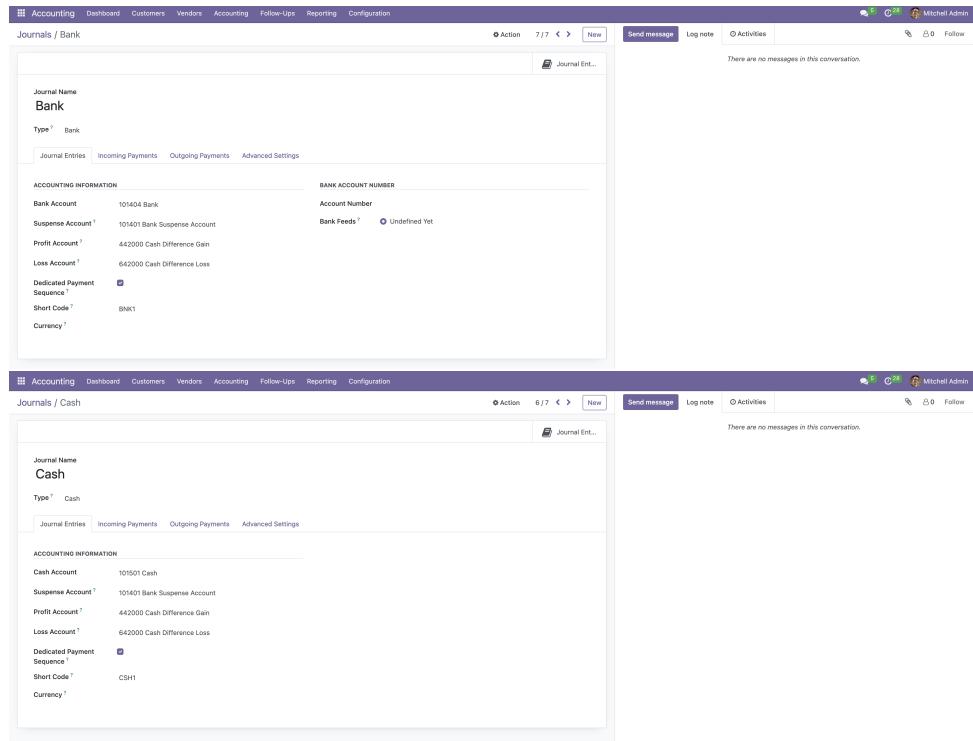


Figure 8.7: Bank & Cash Journal Setup

Configuration:

- Go to Accounting → Configuration → Journals
- For each bank account:
 - Set Bank Account Number and Currency
 - Enable Bank Synchronization (Plaid, Yodlee, etc.)
 - Assign Payment Methods (e.g., wire transfer, check)
- For cash:
 - Create a Cash Journal with starting balance

Each journal = a real-world bank account or cash register.

7. Payment Acquirers (Online Payments)

Purpose:

Enables customers to pay invoices online via Stripe, PayPal, etc.

Configuration:

- Go to Accounting → Configuration → Payment Acquirers
- Enable and configure:
 - Stripe, PayPal, Adyen, etc.
 - Link to correct Bank Journal
 - Set Transaction Fee Account (e.g., “Bank Fees” expense account)

Payments auto-reconcile and reduce Days Sales Outstanding (DSO).

8. Analytic Accounting (Optional but Recommended)

Purpose:

Track costs and revenues by project, department, or cost center.

Configuration:

- Enable Analytic Accounting in Settings
- Create Analytic Plans (e.g., “Projects”, “Departments”)
- Assign default analytic accounts to products, customers, or journals

Enables profitability analysis in reports.

9. Currency & Exchange Rates

Purpose:

Supports multi-currency transactions and automatic FX revaluation.

Configuration:

- Enable Multi-Currencies in Settings
- Set Base Currency (your company’s reporting currency)
- Add foreign currencies (USD, EUR, GBP, etc.)
- Enable Automatic Exchange Rate Updates (via ECB or manual)

Foreign invoices auto-convert; gains/losses posted to “Foreign Exchange” account.

10. Invoice & Report Templates

Purpose:

Customize how invoices, credit notes, and financial reports appear.

Configuration:

- Go to Settings → Technical → User Interface → Views
- Search for report_invoice (QWeb template)
- Modify layout, add logo, legal text, or payment instructions
- Use placeholders like invoice.partner_id.vat for dynamic data

Ensure all legally required fields are present (e.g., tax ID, invoice number).

11. User Access & Approval Workflows

Purpose:

Control who can create, approve, or post financial documents.

Configuration:

- Go to Settings → Users & Companies → Groups

- Assign roles:
 - Billing Administrator: Full access
 - Invoicing User: Create invoices only
 - Accountant: Post entries, reconcile
- Enable Invoice/Bill Approval:
 - Set thresholds (e.g., > \$5,000 requires manager approval)

Segregation of duties reduces fraud risk.

8.2 The Business Logic Behind Key Features

Odoo Accounting isn't just a tool for recording transactions—it's built on core accounting principles and real-world business workflows. Understanding the business logic behind its key features helps your team use the system more effectively, avoid errors, and align financial operations with best practices.

Below, we break down the purpose, accounting rationale, and practical impact of Odoo's most important features.

1. Double-Entry Accounting Engine

What It Is:

Every transaction in Odoo automatically creates at least two journal entries: a debit and a credit of equal value.

Business Logic:

- Ensures the accounting equation always balances:
- $\text{Assets} = \text{Liabilities} + \text{Equity}$
- Prevents data entry errors and maintains audit integrity.
- Required by GAAP, IFRS, and most national accounting standards.

Example:

When you confirm a customer invoice for \$1,000:

- Debit: Accounts Receivable (\$1,000) → You're owed money
- Credit: Revenue (\$1,000) → You've earned income

Result: Your balance sheet and income statement stay accurate and compliant.

2. Automatic Invoice → Journal Entry Link

What It Is:

When you confirm an invoice or bill, Odoo instantly creates a journal entry in the general ledger.

Business Logic:

- Eliminates manual journal posting → reduces errors and delays.
- Ensures real-time financial visibility—no waiting for month-end.
- Maintains a clear audit trail from source document (invoice) to ledger.

Impact:

- Finance team sees live P&L and cash flow.
- Auditors can trace any GL entry back to its original invoice.

3. Bank Reconciliation with Smart Matching

What It Is:

Odoo suggests matches between bank statement lines and outstanding invoices/payments using amount, date, and reference.

Business Logic:

- Reconciliation is not just verification—it's cash validation.
- Unreconciled items = risk of fraud, errors, or missed payments.
- Smart matching saves hours vs. manual line-by-line checks.

Real-World Need:

- A \$2,500 payment from “ABC Corp” should auto-match to their open invoice #INV/2025/042.
- If it doesn’t, it flags a potential issue: wrong amount, duplicate payment, or unapplied credit.

4. Fiscal Positions for Tax Compliance

What It Is:

Rules that automatically change taxes on invoices based on customer location or type (e.g., B2B vs. B2C).

Business Logic:

- Tax laws vary by jurisdiction. You must charge the correct tax to avoid penalties.
- Fiscal positions enforce local compliance without manual intervention.

Example:

- Customer in Germany (B2B) → Apply reverse charge VAT (0%) + show VAT ID.
- Customer in France (B2C) → Apply 20% French VAT.

Critical for businesses selling across borders—especially in the EU.

5. Payment Terms with Discounts & Due Dates

What It Is:

Rules like “Net 30” or “2% 10 Net 30” that control when payment is due and if early-payment discounts apply.

Business Logic:

- Encourages faster cash inflow (via discounts).
- Sets clear expectations with customers/vendors.
- Enables accurate cash flow forecasting and aging reports.

Accounting Impact:

- If a customer pays early with a 2% discount, Odoo:
 - Records full invoice amount as revenue
 - Books the 2% as a “Cash Discount” expense
 - Updates receivables accordingly

6. Recurring Invoices for Subscriptions

What It Is:

Automatically generates invoices on a schedule (monthly, quarterly, etc.).

Business Logic:

- Reflects accrual accounting: revenue is recognized when earned, not when cash is received.
- Supports predictable revenue streams (SaaS, retainers, leases).
- Reduces billing admin and human error.

Best Practice:

- Use subscription products with defined start/end dates.
- Odoo ensures no double-billing and handles prorated changes.

7. Multi-Currency with Automatic FX Revaluation

What It Is:

Records transactions in foreign currencies and revalues balances at period-end using current exchange rates.

Business Logic:

- Required under IFRS/GAAP for companies with foreign operations.
- Shows true financial position by adjusting for currency fluctuations.
- Tracks foreign exchange gains/losses separately.

Example:

- You invoice a UK client £1,000 when 1 GBP = 1.25 USD → \$1,250 receivable.
- At month-end, rate = 1.20 → Receivable = \$1,200.
- Odoo books a \$50 FX loss automatically.

8. Period Locking for Audit Control

What It Is:

Prevents users from editing or posting entries in closed accounting periods.

Business Logic:

- Ensures financial statements are final and tamper-proof after review.
- Meets internal control and SOX compliance requirements.
- Builds trust with auditors, investors, and regulators.

Workflow:

- Close books on the 5th of the month
- Lock period for non-advisers
- After audit, lock for all users

Once locked, only a system administrator (with justification) can override.

9. Analytic Accounting for Cost Tracking

What It Is:

Tracks income and expenses by project, department, or cost center—separate from the general ledger.

Business Logic:

- GAAP/IFRS govern financial reporting (GL), but managers need operational insights.
- Answers: Which product is most profitable? Which project is over budget?

Business Impact:

- Sales team sees margin by customer.
- CFO reviews departmental P&L without affecting statutory accounts.

10. Customer/Vendor Ledger as a Single Source of Truth

What It Is:

A real-time view of all transactions with a customer or vendor (invoices, payments, credits).

Business Logic:

- Replaces error-prone Excel trackers or paper ledgers.
- Enables accurate aging reports and credit decisions.
- Resolves disputes faster with full history.

Example:

Before approving a new order, check the customer's ledger:

- Are they 30+ days overdue?
- Do they have an outstanding credit note?

Chapter 9

Master Data: Schema and Structure

9.1 Understanding the Code and Class Structure

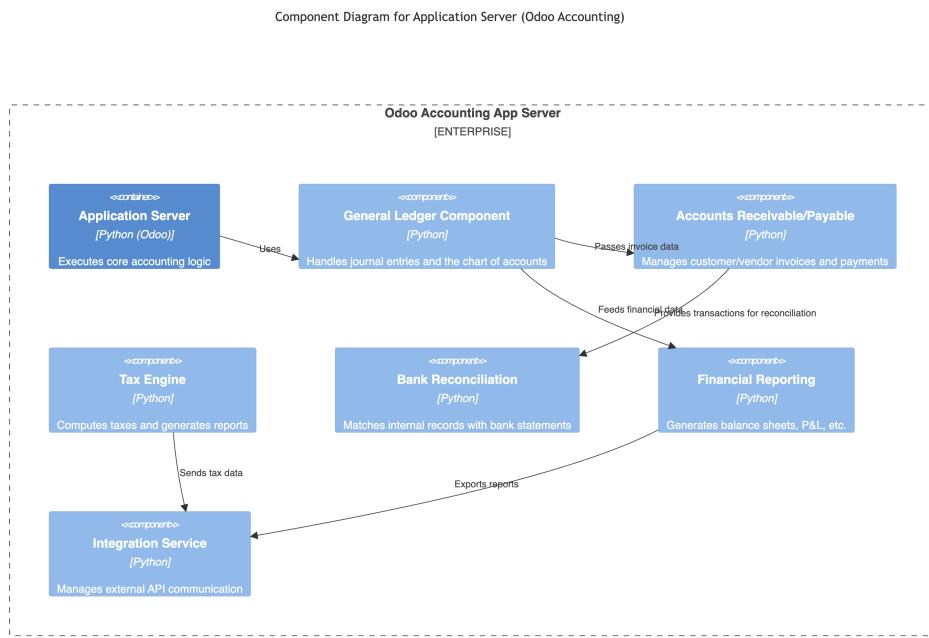


Figure 9.1: C3 Diagram of Odoo Accounting Module

This component diagram provides a high-level description of the Odoo Accounting Module, breaking it down into its primary functional components and how they interact with each other. Each component embodies a specific set of duties that collectively enable end-to-end financial management within the system.

1. Invoice Management

Description: Manages the creation, modification, and life cycle of customer and vendor invoices.

Key Responsibilities:

- Create, update, and delete invoice records.
- Create and export invoice documents (PDFs).
- Control invoice statuses (e.g., Draft, Posted, Paid, Cancelled).

Interfaces:

- (a) Create and fetch invoice data.
- (b) Update invoice state and related fields.

Dependencies:

- (a) Tax Engine – for calculation of tax in real-time.
- (b) Payment Handling – for linking payments and for updation of invoice payment status.

2. Payment Handling

Description: Responsible for handling the processing and recording of payments that come in and go out.

Key Responsibilities:

- (a) Record customer payments and vendor disbursements.
- (b) Link payments with related invoices or bills.
- (c) Generate payment receipts and reconcile books of accounts.

Interfaces:

- (a) Register and read payment information.
- (b) Associate payments with accounting documents.

Dependencies:

- (a) Invoice Management – to account for payments.
- (b) Reconciliation Engine – to reconcile payments with bank accounts.

3. Reconciliation Engine

Description: Reconciles bank statement line with internal accounting postings.

Key Responsibilities:

- (a) Import and interpret bank statements.
- (b) Automatically match transactions according to configurable rules.
- (c) Offer manual and auto-recommended reconciliations.

Interfaces:

- (a) Import bank information and define reconciliation logic.
- (b) Review and approve reconciliations.

Dependencies:

- (a) Payment Handling – to read payment records.

- (b) Reporting & Analytics – to enable reconciliation reporting and auditing.

4. Reporting & Analytics

Description: Generates financial and analytical reports to external and internal stakeholders.

Key Responsibilities:

- (a) Prepare primary financial statements (e.g., P&L, Balance Sheet).
- (b) Provide dynamic dashboards and drill-down.
- (c) Generate customized financial reports.

Interfaces:

- (a) Configure report parameters and layouts.
- (b) Export data to PDF, Excel, or web views.

Dependencies:

- (a) Dependent on all other components for data aggregation and metrics.

5. Tax Engine

Description: Verifies compliance with local tax legislation and calculates taxes.

Key Responsibilities:

- (a) Calculate recoverable taxes upon invoice or bill processing.
- (b) Schedule tax codes, tax rates, and fiscal postings.
- (c) Prepare statutory tax reports.

Interfaces:

- (a) Develop and implement tax regulations.
- (b) Generate reports (e.g., VAT, GST summaries).

Dependencies:

- (a) Invoice Management – in aid of calculation of tax on transactions.

This diagram illustrates the core components of the Odoo Accounting source code and their interactions. The Invoice component manages customer and vendor invoices, creating journal entries in the Account module, which defines models for accounts, ledgers, and journal entries. The Reconciliation Engine handles matching bank data to existing account records to ensure accurate financial reconciliation. The Report Generator component is responsible for producing financial reports in PDF or Excel formats and shares these reports with third parties. The Tax Engine manages tax calculations and rules, triggering tax computations during invoice processing and submitting relevant tax data externally. All report sharing and tax submission activities

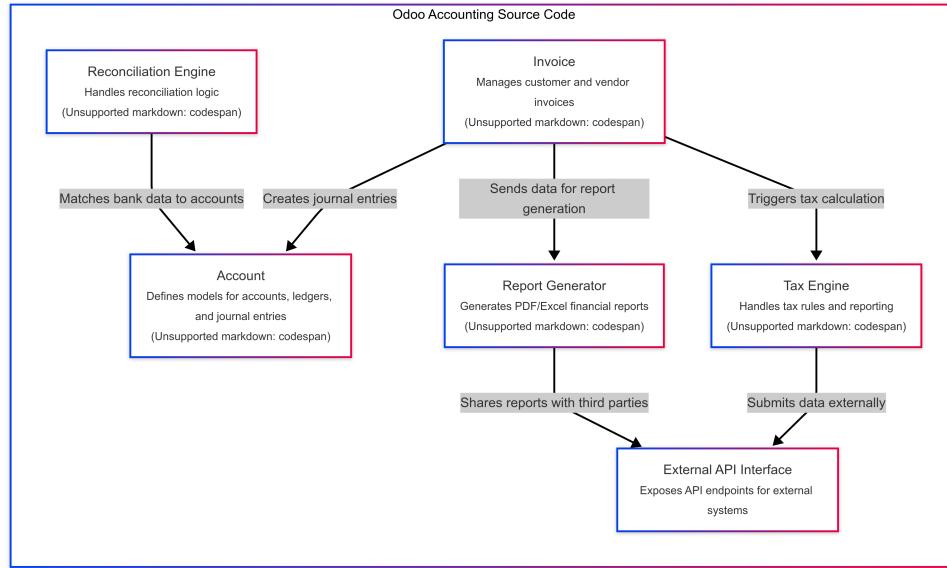


Figure 9.2: C4 Diagram of Odoo Accounting Module

interact with the External API Interface, which exposes API endpoints to enable third-party systems to access reports and tax-related data. Overall, these components work together to facilitate robust, automated accounting processes within Odoo.

9.2 Master Data Schema

Core Tables

Table	Description
account_move	Contains journal entries, the basic unit of double-entry accounting.
account_move_line	Contains individual debit/credit lines of a journal entry.
account_account	Holds the Chart of Accounts — ledger accounts used for classifying transactions.
account_journal	Stores definitions of journals such as Sales Journal, Purchase Journal, Bank, Cash, etc.
account_payment	Stores payment postings such as customer receipts and vendor payments.
account_tax	Declares tax regulations (e.g., VAT, GST, sales tax) applied to financial transactions.
account_fiscal_position	Maps fiscal rules for partners by location or business type (e.g., tax exemptions, account mapping).
account_fiscal_position_tax	Links taxes to fiscal positions for automatic tax substitution.
account_fiscal_position_account	Maps accounts in fiscal positions (e.g., replace receivable/payable accounts).
res_partner	Stores customer, vendor, and other third-party contact and accounting info (e.g., receivable/-payable accounts).
res_company	Stores company data, enabling multi-company setups with separate accounting.
account_account_type	Categorizes accounts into types such as Income, Expense, Receivable, Payable, Bank, etc.
account_reconcile_model	Defines rules for auto-reconciliation of bank statements and journal items.
account_bank_statement	Represents bank statements used for reconciliation.
account_bank_statement_line	Individual lines in a bank statement.
account_analytic_account	Master data for analytic (cost/profit center) accounting.
account_analytic_line	Tracks actual analytic costs/revenues (linked to journal items or timesheets).

<code>account_group</code>	Groups accounts hierarchically in the Chart of Accounts (for reporting).
<code>account_root</code>	Used internally for fast account code lookups and tree structures.
<code>account_payment_method</code>	Defines payment methods (e.g., check, credit card, wire transfer).
<code>account_payment_term</code>	Stores payment terms (e.g., Net 30, 2% 10 Net 30) used in invoices.
<code>account_payment_term_line</code>	Lines defining the structure of a payment term (percentages, days, etc.).
<code>account_incoterms</code>	Standard international commercial terms (e.g., FOB, CIF) used in invoices and shipping.
<code>account_cash_rounding</code>	Defines cash rounding rules for invoices (e.g., round to nearest 0.05).
<code>account_report</code>	Base model for financial reports (Balance Sheet, Profit & Loss, etc.).
<code>account_financial_report</code>	Defines structure of custom financial reports (hierarchical).
<code>account_tax_group</code>	Groups taxes for reporting purposes (e.g., VAT Output, VAT Input).
<code>account_tax_rep_distribution</code>	Controls how tax amounts are distributed across lines in reports.
<code>account_account_tag</code>	Tags used for regulatory reporting (e.g., tax report tags like “VAT base” or “VAT amount”).
<code>account_chart_template</code>	Template used to install a Chart of Accounts for a new company.
<code>account_account_template</code>	Template version of accounts used during CoA setup.
<code>account_tax_template</code>	Template for taxes used during initial configuration.
<code>account_journal_group</code>	Groups journals for access control or reporting (Odoo Enterprise feature).
<code>res_currency</code>	Stores currency definitions (USD, EUR, etc.) and exchange rates.
<code>res_currency_rate</code>	Historical exchange rates for multi-currency accounting.

Table 9.1: Master Data Tables in Odoo Accounting Module

Chapter 10

Reporting, Dashboards, and Analytics

10.1 Key Performance Indicators (KPIs) for Accounting

Key Performance Indicators (KPIs) are measurable values that demonstrate how effectively a company is achieving its financial and operational objectives. In Odoo Accounting, KPIs provide real-time insights into cash flow, profitability, liquidity, receivables, payables, and overall financial health. These metrics empower finance teams, managers, and executives to make data-driven decisions and proactively address potential issues.

Odoo's integrated architecture ensures that KPIs are automatically calculated from live transactional data—eliminating manual spreadsheets and reducing reporting delays.

Core Accounting KPIs in Odoo

Odoo Accounting (and Odoo Finance apps) supports the following essential KPIs, either natively through dashboards, reports, or via customizable metrics:

1. Cash Flow

Definition: Net movement of cash in and out of the business over a period.

Odoo Source:

- Cash Flow Statement (under Accounting > Reporting > Cash Flow)
- Bank and Cash dashboard tiles

Why It Matters: Indicates short-term viability and ability to cover operational expenses.

2. Accounts Receivable (A/R) Aging

Definition: Breakdown of outstanding customer invoices by due date (e.g., current, 1–30 days, 31–60 days, >90 days).

Odoo Source:

- Receivables Report (Accounting > Reporting > Receivables)
- Customer ledger views

KPI Example:

$\% \text{ of A/R} > 60 \text{ days} = (\text{Overdue invoices} > 60 \text{ days} / \text{Total receivables}) \times 100$

Why It Matters: High aging indicates collection inefficiencies or credit risk.

3. Accounts Payable (A/P) Aging

Definition: Summary of outstanding vendor bills by due date.

Odoo Source:

- Payables Report (Accounting > Reporting > Payables)

KPI Example:

Average payment days = Total days to pay bills / Number of bills

Why It Matters: Helps manage supplier relationships and optimize cash outflow timing.

4. Profitability (Gross & Net Profit)

Definition:

Gross Profit = Revenue – Cost of Goods Sold (COGS)

Net Profit = Gross Profit – Operating Expenses – Taxes – Interest

Odoo Source:

- Profit and Loss (Income Statement) (Accounting > Reporting > Profit and Loss)
- Analytic Accounting (for department/project-level profitability)

Why It Matters: Core measure of business performance and sustainability.

5. Current Ratio (Liquidity)

Definition: Current Assets ÷ Current Liabilities

Odoo Source:

- Balance Sheet (Accounting > Reporting > Balance Sheet)
- Target: Typically => 1.5 (varies by industry)

Why It Matters: Assesses short-term financial health and ability to meet obligations.

6. Days Sales Outstanding (DSO)

Definition: Average number of days to collect payment after a sale.

Formula:

$$\text{Days Sales Outstanding (DSO)} = \frac{\text{Accounts Receivable}}{\text{Total Credit Sales}} \times \text{Number of Days in Period}$$

Odoo Source:

- Custom calculation using Receivables and Sales data (can be automated via Odoo Studio or custom report)

Why It Matters: Lower DSO = faster cash conversion.

7. Days Payable Outstanding (DPO)

Definition: Average number of days the company takes to pay its suppliers.

Formula:

$$\text{Days Payable Outstanding (DPO)} = \frac{\text{Accounts Payable}}{\text{Cost of Sales}} \times \text{Number of Days in Period}$$

Odoo Source:

- Derived from Payables and Purchases data

Why It Matters: Optimizing DPO improves cash flow without harming supplier relations.

8. Tax Compliance & Reporting Accuracy

Definition: Timeliness and correctness of tax filings (VAT, GST, etc.).

Odoo Source:

- Tax Reports (Accounting > Reporting > Tax Report)
- Fiscal Position and Tax Tags ensure correct classification

Why It Matters: Avoids penalties and audit risks.

Accessing KPIs in Odoo

1. Built-in Dashboards

- Go to Accounting > Dashboard
- Widgets display real-time KPIs:
 - Overdue invoices
 - Unpaid bills
 - Profitability trends
 - Cash balance

2. Financial Reports

- Balance Sheet, Profit & Loss, and Cash Flow reports are automatically generated.
- Filter by date, journal, company, or analytic account.

3. Custom KPIs

- Use Odoo Studio (Enterprise) or custom modules to:
 - Create calculated fields (e.g., DSO)
 - Build pivot tables or dashboards
 - Set alerts (e.g., “Notify if A/R > 90 days exceeds \$10,000”)

4. Analytic Accounting Integration

- Track KPIs by:
 - Project
 - Department
 - Product line
 - Salesperson
- Enables granular performance analysis.

Example: Setting Up a Receivables KPI Dashboard

1. Go to Accounting > Reporting > Receivables.
2. Group by “Due Date” and filter “Overdue”.
3. Export or pin to dashboard.
4. (Optional) Create a custom report showing:
 - Total Receivables
 - % Overdue (>30 days)
 - Top 5 delinquent customers

10.2 Available Reports and Dashboards

Odoo Accounting provides a rich suite of real-time financial reports and interactive dashboards that give businesses full visibility into their financial performance, cash flow, compliance status, and operational efficiency. All reports are generated automatically from live transactional data—ensuring accuracy, eliminating manual reconciliation, and enabling timely decision-making.

Reports and dashboards are accessible via Accounting > Reporting and Accounting > Dashboard, and can be filtered by date, journal, company, analytic account, or partner.

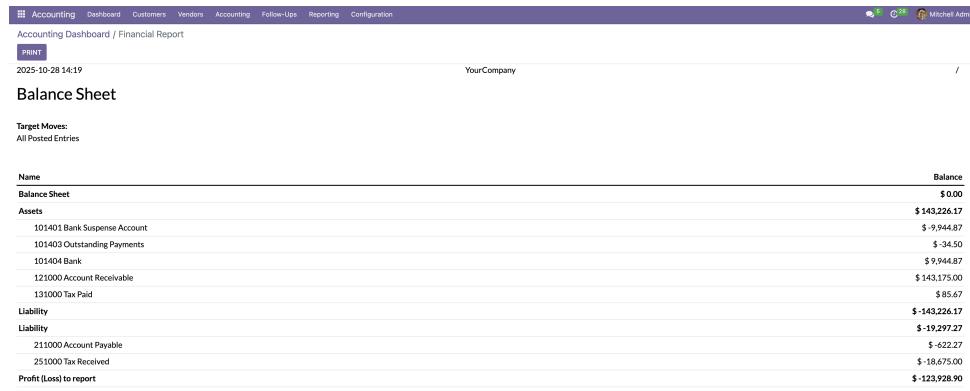
Core Financial Statements These are the three fundamental reports required for financial analysis and statutory compliance.

1. Balance Sheet Purpose: Shows the company’s assets, liabilities, and equity at a specific point in time.

Path: Accounting > Reporting > Balance Sheet

Features:

- Hierarchical view based on account groups
- Compare multiple periods (e.g., current vs. previous year)



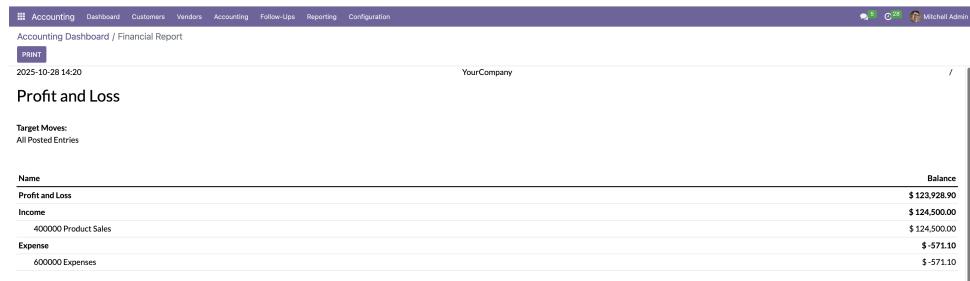
Name	Balance
Balance Sheet	
Assets	
101401 Bank Suspense Account	\$ 143,226.17
101403 Outstanding Payments	\$ -9,944.87
101404 Bank	\$ -34.50
121000 Account Receivable	\$ 9,944.87
131000 Tax Paid	\$ 143,175.00
	\$ 85.67
Liability	
Liability	
211000 Account Payable	\$ -143,226.17
251000 Tax Received	\$ -19,297.27
	\$ -622.27
Profit (Loss) to report	\$ 18,675.00
	\$ -123,928.90

Figure 10.1: Balance Sheet Report in Odoo Accounting

- Export to PDF or Excel

Use Case: Assess solvency, liquidity, and capital structure.

2. Profit and Loss (Income Statement) Purpose: Summarizes revenues, costs, and expenses



Name	Balance
Profit and Loss	
Income	
400000 Product Sales	\$ 124,500.00
Expense	
600000 Expenses	\$ -571.10
	\$ -571.10

Figure 10.2: Profit and Loss Report in Odoo Accounting

over a period to determine net profit or loss.

Path: Accounting > Reporting > Profit and Loss

Features:

- Drill down into individual accounts
- Filter by analytic dimensions (e.g., department, project)
- Multi-currency support

Use Case: Evaluate operational profitability and cost control.

3. Cash Flow Statement

Purpose: Tracks cash inflows and outflows from operating, investing, and financing activities.

Path: Accounting > Reporting > Cash Flow

Method: Indirect method (net income adjusted for non-cash items and changes in working capital).

Use Case: Monitor liquidity and short-term financial health.

Note: In Odoo, the Cash Flow report is automatically configured based on account types and journal entries—no manual entry required.

Operational & Compliance Reports

1. General Ledger Path: Accounting > Reporting > General Ledger

General Ledger Report									
Journal:			Display Account		Target Moves:				
INV,BILL,MISC,EXCH,BNK1,CSHL,CABA			With movements		All Posted Entries				
Date	JRNL	Partner	Ref	Move	Analytic Account	Entry Label	Debit	Credit	Balance
									Currency
101401	Bank	Suspenze Account					\$32.58	\$ 9,977.45	\$ -9,944.87
2025-01-01	BNK1			BNK1/2025/00001		Initial balance	\$0.00	\$ 5,103.00	\$ -5,103.00
2025-01-01	BNK1	Azure Interior		BNK1/2025/00002		INV/2025/00002 and INV/2025/00003	\$0.00	\$ 1,275.00	\$ -6,378.00
2025-01-01	BNK1			BNK1/2025/00003		Bank Fees	\$32.58	\$0.00	\$ -6,345.42
2025-01-01	BNK1	Azure Interior		BNK1/2025/00004		Prepayment	\$0.00	\$ 650.00	\$ -6,995.42
2025-01-01	BNK1	Azure Interior		BNK1/2025/00005		First \$ 2,000.00 of invoice 2025/00001	\$0.00	\$ 2,000.00	\$ -8,995.42
2025-01-01	BNK1			BNK1/2025/00006		Last Year Interests	\$0.00	\$ 102.78	\$ -9,098.20
2025-01-01	BNK1	Deco Addict		BNK1/2025/00007		INV/2025/00002	\$0.00	\$ 750.00	\$ -9,848.20
2025-01-01	BNK1			BNK1/2025/00008		R:9772938 10/07 AX 9415116318 T:5 BRT: 100.00 C/crop	\$0.00	\$ 96.67	\$ -9,944.87
101403 Outstanding Payments							\$0.00	\$ 34.50	\$ -34.50
2025-10-28	BNK1	Azure Interior	BILL/2025/09/0001	PBNK1/2025/00001		Vendor Payment \$ 34.50 - Azure Interior - 10/28/2025	\$0.00	\$ 34.50	\$ -34.50
101404 Bank							\$9,977.45	\$ 32.58	\$ 9,944.87
2025-01-01	BNK1			BNK1/2025/00001		Initial balance	\$5,103.00	\$0.00	\$ 5,103.00
2025-01-01	BNK1	Azure Interior		BNK1/2025/00002		INV/2025/00002 and INV/2025/00003	\$1,275.00	\$0.00	\$ 6,378.00
2025-01-01	BNK1			BNK1/2025/00003		Bank Fees	\$0.00	\$ 32.58	\$ 6,345.42
2025-01-01	BNK1	Azure Interior		BNK1/2025/00004		Prepayment	\$650.00	\$0.00	\$ 6,995.42
2025-01-01	BNK1	Azure Interior		BNK1/2025/00005		First \$ 2,000.00 of invoice 2025/00001	\$2,000.00	\$0.00	\$ 8,995.42
2025-01-01	BNK1			BNK1/2025/00006		Last Year Interest	\$102.78	\$0.00	\$ 9,098.20
2025-01-01	BNK1	Deco Addict		BNK1/2025/00007		INV/2025/00002	\$750.00	\$0.00	\$ 9,848.20
2025-01-01	BNK1			BNK1/2025/00008		R:9772938 10/07 AX 9415116318 T:5 BRT: 100.00 C/crop	\$96.67	\$0.00	\$ 9,944.87
121000 Account Receivable							€ 143.17€ 00	€ 0.00	€ 143.17€ 00

Figure 10.3: General Ledger Report in Odoo Accounting

Details: Lists all journal entries posted to each account over a selected period.

Use Case: Audit trail, account reconciliation, and detailed transaction review.

2. Trial Balance Path: Accounting > Reporting > Trial Balance

Trial Balance Report						
Display Account:		Target Moves:				
With movements		All Posted Entries				
Code	Account	Initial Balance		Debit	Credit	Balance
101401	Bank Suspenze Account	\$ 0.00		\$32.58	\$ 9,977.45	\$ -9,944.87
101403	Outstanding Payments	\$ 0.00		\$ 0.00	\$ 34.50	\$ -34.50
101404	Bank	\$ 0.00		\$ 9,977.45	\$ 32.58	\$ 9,944.87
121000	Account Receivable	\$ 0.00		\$ 143,175.00	\$ 0.00	\$ 143,175.00
131000	Tax Paid	\$ 0.00		\$ 85.67	\$ 0.00	\$ 85.67
211000	Account Payable	\$ 0.00		\$ 34.50	\$ 656.77	\$ -622.27
251000	Tax Received	\$ 0.00		\$ 0.00	\$ 18,675.00	\$ 18,675.00
400000	Product Sales	\$ 0.00		\$ 124,500.00	\$ 0.00	\$ 124,500.00
600000	Expenses	\$ 0.00		\$ 571.10	\$ 0.00	\$ 571.10

Figure 10.4: Trial Balance Report in Odoo Accounting

Details: Shows debit and credit balances for all accounts at period-end.

Use Case: Verify accounting equation (Assets = Liabilities + Equity) and prepare financial statements.

3. Tax Reports Path: Accounting > Reporting > Tax Report

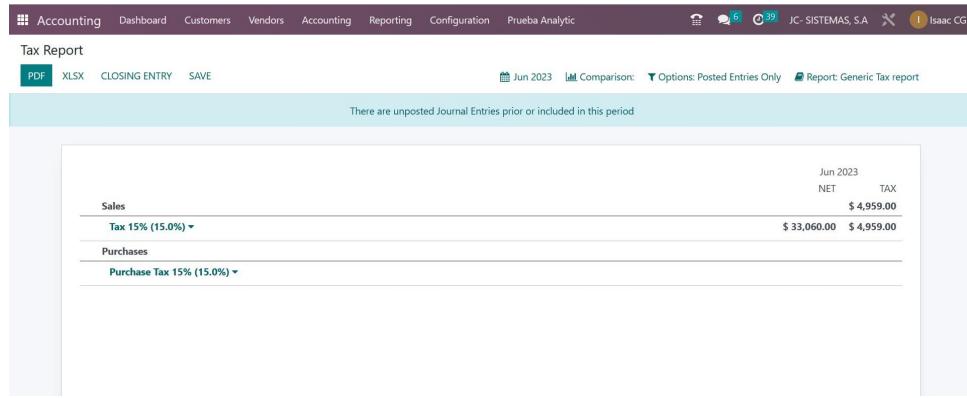


Figure 10.5: Tax Report in Odoo Accounting

Details:

- Summarizes collected (output) and paid (input) taxes (e.g., VAT, GST)
- Uses tax tags and fiscal positions for accurate classification
- Supports country-specific formats (e.g., VAT return in EU)

Use Case: Prepare and file tax declarations confidently.

4. Aged Receivables & Payables Paths:

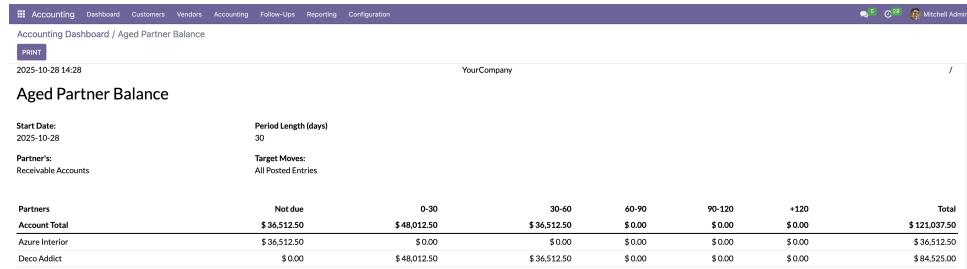


Figure 10.6: Age Receivable Report in Odoo Accounting



Figure 10.7: Age Payable Report in Odoo Accounting

- Accounting > Reporting > Receivables (Customer aging)
- Accounting > Reporting > Payables (Vendor aging)

Details: Categorizes outstanding invoices by due date (e.g., current, 1–30, 31–60, 61–90, >90 days).

Use Case: Manage collections, assess credit risk, and plan payments.

5. Bank Reconciliation Report Path: Accounting > Reporting > Bank Reconciliation

The screenshot shows the Odoo Accounting interface for Bank Reconciliation. On the left, a list of bank statement lines is displayed, each with a date, amount, and status (e.g., 'Matched' or 'To check'). On the right, a list of journal items is shown, categorized by account, partner, date, and journal entry. A central panel displays a reconciliation table with columns for Account, Partner, Date, Label, Debit, and Credit. The 'Label' column for the journal item row shows 'Cash difference observed during the counting (Profit)'. The 'Debit' and 'Credit' columns both show '\$ 50,000.00'. Below the main table are tabs for 'Match Existing Entries', 'Batch Payments', 'Manual Operations', and 'Discuss'.

Figure 10.8: Bank Reconciliation in Odoo Accounting

Details: Shows unreconciled bank statement lines vs. journal items.

Use Case: Ensure all bank transactions are accounted for and prevent discrepancies.

10.3 Mastering Default Groups and Filters

Odoo Accounting provides powerful grouping and filtering tools that allow users to organize, analyze, and act on financial data quickly—without spreadsheets or complex queries. These features are available on almost every list view (e.g., Journal Entries, Invoices, Payments, Bank Statements) and are essential for daily accounting operations, reconciliation, and reporting.

Understanding how to use default groups and custom filters improves efficiency, reduces errors, and enables faster decision-making. **What Are Groups and Filters?**

The screenshot shows the Odoo Accounting Journal Entries list view. A red box highlights the 'Filters' sidebar on the right, which includes fields for 'Status', 'Reconciled Method', 'Invoice Date', and 'Add Custom Group'. A red arrow points from the 'Filters' sidebar to the bottom of the screen, where a detailed breakdown of transaction types and amounts is shown. Another red box highlights the 'Group By' dropdown menu, which lists categories like 'Bank', 'Cash', 'Credit', and 'Miscellaneous'. A red arrow points from the 'Group By' menu to the main list of journal entries, where the data is grouped by these categories. The main list shows entries with columns for Date, Number, Partner, Reference, Journal, and various monetary amounts.

Figure 10.9: Group & Filter in Odoo Accounting

Filters: Narrow down records based on criteria (e.g., “Overdue,” “This Month,” “Draft Invoices”).

Groups: Organize records into collapsible sections by a field (e.g., group invoices by Customer, Status, or Journal).

Default Filters in Key Accounting Views Odoo provides smart, context-aware default filters to help you focus on what matters most.

1. Customer Invoices

Default Filters:

- To Invoice: Draft invoices
- To Send: Validated but not sent
- Overdue: Invoices past due date
- This Month / Last Month

Use Case: Quickly identify invoices needing follow-up or sending.

2. Vendor Bills

Default Filters:

- Waiting Approval (if approval workflow is enabled)
- To Pay: Validated bills not yet paid
- Overdue
- Late Activities

Use Case: Prioritize payments and avoid late fees.

3. Journal Entries

Default Filters:

- Unposted: Draft entries
- This Month
- Bank/Cash Journals (via journal filter)

Use Case: Review unposted entries before period close.

4. Payments

Default Filters:

- Customer Payments
- Vendor Payments
- Reconciled / Unreconciled

Use Case: Track reconciliation status and cash movements.

5. Bank Statements

Default Filters:

- New: Unreconciled statements
- Reconciled

Use Case: Focus on unreconciled transactions during daily reconciliation.

Tip: Click the funnel icon (FilterWhere) next to the search bar to see all available default filters. Both are accessible via the search bar at the top of any list view in Odoo.

Default Groupings Grouping helps visualize data hierarchically. Odoo applies sensible defaults, but you can change them on the fly.

Common Default Groupings

View	Default Group By	Purpose
Customer Invoices	Customer	See all invoices per client
Vendor Bills	Vendor	Track bills by supplier
Journal Entries	Journal	Separate entries by Sales, Purchase, Bank, etc.
Payments	Payment Type	Distinguish customer vs. vendor payments
Bank Statements	Bank Account	Organize by account when multiple banks exist

Table 10.1: Default Groupings in Odoo Accounting Views

How to Change Grouping

- Open any list view (e.g., Accounting > Customers > Invoices).
- Click the Group By button (top-right, next to search bar).
- Select a field (e.g., Status, Due Date, Salesperson, Analytic Account).
- Records instantly reorganize into collapsible sections.

Tip: You can apply multiple levels of grouping (e.g., Group by Customer, then by Status) by clicking Group By again after the first grouping.

Creating and Saving Custom Filters

Step-by-Step: Create a Custom Filter

1. In any list view, click the Filters dropdown (funnel icon).
2. Select Add Custom Filter.
3. Choose a field (e.g., Due Date), operator (e.g., is less than), and value (e.g., today).
4. Click Apply.

Example Custom Filters

- High-Value Overdue Invoices:
Status = Posted + Amount > 5000 + Due Date < Today
- Unreconciled Bank Transactions:
Statement Line = True + Reconciled = False
- Invoices by Sales Team:
Salesperson Team = "Enterprise"

Saving Filters for Reuse

- After applying a custom filter, click Save Current Filter.
- Give it a name (e.g., “Critical Overdues”).
- It will appear under Favorites for one-click access.

Note: Saved filters are personal by default. Admins can share them globally via Technical Settings > User-defined Filters (Enterprise).

Part V

Governance and Enablement

Chapter 11

Governance: User Roles and Access Rights

11.1 Defining User Roles: Public User, Editor, and Administrator

Odoo uses a role-based access control (RBAC) system to ensure data security, operational efficiency, and segregation of duties. In the context of Odoo Accounting, user roles determine who can view, create, edit, approve, or delete financial records such as invoices, journal entries, payments, and reports.

While Odoo offers granular access rights via groups and record rules, most accounting teams can be mapped to three practical roles:

- Public User (Read-Only Viewer)
- Editor (Standard Accountant / Bookkeeper)
- Administrator (Finance Manager / System Admin)

Understanding these roles helps organizations assign appropriate access while maintaining compliance and data integrity.

Role Definitions & Permissions

1. Public User (Read-Only Viewer)

Typical Users: External auditors, department heads, sales managers, or read-only stakeholders.

Access Level: View-only access to selected accounting data.

Permissions:

- View posted invoices, bills, and payments
- Access financial reports (Profit & Loss, Balance Sheet, etc.)
- View customer/vendor balances
- Cannot create, edit, delete, or post entries
- Cannot access draft documents or unreconciled transactions

Odoo Group:

- Billing → See invoices and payments (no “Create” or “Edit” rights)
- Accounting → Read-only access (custom group often needed)

Use Case:

A sales manager needs to check a customer’s outstanding balance but should not modify accounting records.

Tip: In Odoo Enterprise, use Portal Access or custom access groups to grant secure read-only views without full internal user licenses.

2. Editor (Standard Accountant / Bookkeeper)

Typical Users: Accountants, bookkeepers, AP/AR clerks.

Access Level: Full operational access to day-to-day accounting tasks—but not system configuration.

Permissions:

- Create, validate, and send customer invoices
- Register and pay vendor bills
- Record payments and reconcile bank statements
- Post journal entries (if allowed by workflow)
- View and export all accounting reports
- Cannot modify Chart of Accounts, journals, taxes, or fiscal positions
- Cannot change accounting settings or user roles

Odoo Groups:

- Accounting → Billing
- Accounting → Accountant (grants full transactional access)

Use Case:

A bookkeeper manages daily invoicing, payments, and bank reconciliation but does not configure tax rules or fiscal year settings.

Best Practice: Avoid giving “Adviser” or “Administrator” rights to routine accounting staff to prevent accidental system changes.

3. Administrator (Finance Manager / System Admin)

Typical Users: CFOs, finance managers, Odoo system administrators.

Access Level: Full access to all accounting data and configuration.

Permissions:

- All Editor capabilities

- Configure Chart of Accounts, journals, taxes, and fiscal positions
- Manage payment terms, analytic accounts, and accounting periods
- Approve special transactions (e.g., manual journal entries)
- Manage user roles and access rights
- Lock/unlock accounting periods
- Install or customize accounting modules

Odoo Groups:

- Accounting → Adviser (grants access to configuration menus)
- Administration → Settings (full system control)

Use Case:

A finance manager sets up multi-currency accounting, defines tax rules for new regions, and reviews period-end closings.

Security Note: The “Adviser” role in Odoo Accounting is powerful—it bypasses some validation rules (e.g., allows editing posted entries). Assign it only to trusted users.

How to Assign Roles in Odoo

- Go to Settings > Users & Companies > Users.
- Open a user record.
- Under Access Rights, check the appropriate groups:
 - For Editor: Enable Billing and Accountant.
 - For Administrator: Also enable Adviser (under Accounting) and Settings (under Administration).
 - For Public User: Only enable See invoices and payments (or create a custom read-only group).
- Save the user.

Enterprise Feature: Use Role-Based Access in Odoo Studio or Custom Groups to fine-tune permissions (e.g., “Can approve bills under \$10,000”).

11.2 Access Rights Matrix: A Clear Table of Permissions

Odoo Accounting uses a granular role-based access control system to manage user permissions. While roles like Editor or Administrator offer a high-level view, this Access Rights Matrix breaks down exact permissions for common user types across key accounting operations.

This matrix helps you:

- Assign appropriate access during onboarding
- Conduct internal compliance reviews
- Troubleshoot permission-related issues
- Implement segregation of duties (SoD)

Note: Permissions are controlled via Access Groups in Odoo (e.g., Billing, Accountant, Adviser). The matrix below maps real-world roles to these technical groups.

The screenshot shows the Odoo Access Rights configuration screen. At the top, there are tabs for 'Access Rights', 'Preferences', and 'Account Security'. Below this, there are sections for 'MULTI COMPANIES' (Allowed Companies: My Company (Chicago), My Company (San Francisco)), 'SALES' (Sales: Administrator), 'ACCOUNTING' (Accounting: Advisor; Bank: Validate bank account), 'WEBSITE' (Live Chat: Administrator; Website: Editor and Designer), 'HUMAN RESOURCES' (Employees: Administrator; Time Off: Administrator; Contracts: Administrator), 'SERVICES' (Project: Administrator), 'INVENTORY' (Inventory: Administrator; Purchase: Administrator), 'MARKETING' (Events: Administrator; Email Marketing: User; Surveys: Administrator), and 'PRODUCTIVITY' (Dashboard: Admin). A large table at the bottom lists 38 accounting models under the 'Accounting / Accountant' group, with columns for Model, Group, and access levels (Read, Write, Create, Delete).

Name	Model	Group	Read Access	Write Access	Create Access	Delete Access
account_analytic_account.accountant	Analytic Account	Accounting / Accountant	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
account.asset.category	Asset category	Accounting / Accountant	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
account.asset.asset	Asset/Revenue Recognition	Accounting / Accountant	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
crossovered.budget.accountant	Budget	Accounting / Accountant	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
account.reconcile.model	Preset to create journal entries during a invoices and ...	Accounting / Accountant	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
sale.order.accountant	Sales Order	Accounting / Accountant	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
access.account.aged.trial.balance	Account Aged Trial Balance Report	Accounting / Accountant	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
access.account.print.journal	Account Print Journal	Accounting / Accountant	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
access.account.financial.report.manager	Account Report	Accounting / Accountant	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
access.account.tag	Account Tag	Accounting / Accountant	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
access.accounting.report	Accounting Report	Accounting / Accountant	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
account.account.accrued.orders.wizard	Accrued Orders Wizard	Accounting / Accountant	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
account.analytic.applicability.accountant	Analytic Plan's Applicabilities	Accounting / Accountant	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
account.analytic.plan.accountant	Analytic Plan	Accounting / Accountant	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
account.asset.depreciation.line	Asset depreciation line	Accounting / Accountant	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
asset.asset.report	Assets Analysis	Accounting / Accountant	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
crossovered.budget.lines.accountant	Budget Line	Accounting / Accountant	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
account.budget.post.accountant	Budgetary Position	Accounting / Accountant	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
access.account.common.journal.report	Common Journal Report	Accounting / Accountant	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
access.account.automatic.entry.wizard	Create Automatic Entries	Accounting / Accountant	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Figure 11.1: Access Rights in Odoo

Access Rights Matrix

Accounting Operation	Public User	Editor	Administrator
View Posted Customer Invoices	Yes	Yes	Yes
View draft Customer Invoices	No	Yes	Yes
Create Customer Invoices	No	Yes	Yes
Edit Customer Invoices	No	Yes	Yes
Edit Posted Customer Invoices	No	No	Yes
Send Email Customer Invoices	No	Yes	Yes

Validate Customer Invoices	No	Yes	Yes
Cancel Customer Invoices	No	Yes	Yes
View posted vendor bills	Yes	Yes	Yes
View draft vendor bills	No	Yes	Yes
Create vendor bills	No	Yes	Yes
Edit vendor bills (draft)	No	Yes	Yes
Edit posted vendor bills	No	No	Yes
Validate (post) vendor bills	No	Yes	Yes
Request bill approval (if workflow enabled)	No	Yes	Yes
Approve vendor bills	No	Conditional	Yes
Pay vendor bills	No	Yes	Yes
Record customer payments	No	Yes	Yes
Record vendor payments	No	Yes	Yes
Reconcile bank statements	No	Yes	Yes
View unreconciled transactions	No	Yes	Yes
Create manual journal entries	No	Yes	Yes
Post journal entries	No	Yes	Yes
Edit posted journal entries	No	No	Yes
View journal entries (all)	Conditional	Yes	yes
View General Ledger	Yes	Yes	Yes
View Trial Balance	Yes	Yes	Yes
View Profit & Loss (Income Statement)	Yes	Yes	Yes
View Balance Sheet	Yes	Yes	Yes
View Cash Flow Statement	Yes	Yes	Yes
Export financial reports (PDF/Excel)	No	Yes	Yes
View aged receivables/payables	Yes	Yes	Yes
View tax reports (VAT/GST summaries)	Yes	Yes	Yes
Configure Chart of Accounts	No	No	Yes
Create/edit ledger accounts	No	No	Yes
Configure journals (Sales, Purchase, Bank, etc.)	No	No	Yes
Manage tax configurations	No	No	Yes
Manage fiscal positions	No	No	Yes
Set payment terms	No	No	Yes
Define payment methods	No	No	Yes
Manage analytic accounts	No	No	Yes

Lock/unlock accounting periods	No	No	Yes
Manage multi-currency settings	No	No	Yes
Install/uninstall accounting modules	No	No	Yes
Manage user access rights	No	No	Yes
Enable “Adviser” mode	No	No	Yes

Table 11.1: Access Rights Matrix for Odoo Accounting Roles

Chapter 12

Learning and Development Resources

12.1 Official Odoo Documentation and Video Tutorials

Official Odoo Accounting Documentation The official Odoo documentation is your primary source for detailed instructions, feature explanations, configuration steps, and troubleshooting tips.

Odoo 16 Accounting Documentation (Latest Stable Version) <https://www.odoo.com/documentation/16.0/applications/finance/accounting.html>

This section covers:

- Setting up your chart of accounts
- Managing customers and vendors
- Invoicing and payments
- Bank synchronization and reconciliation
- Expense management
- Reporting and financial statements
- Tax configuration (VAT, sales tax, etc.)
- Multi-company and multi-currency setups

Tip: Always select the documentation version that matches your Odoo installation (e.g., 16.0, 17.0). You can switch versions using the dropdown menu at the top of the documentation page.

Official Odoo Video Tutorials

Odoo provides high-quality, step-by-step video tutorials on its official YouTube channel and within the Odoo eLearning platform. These are ideal for visual learners and quick onboarding.

Odoo Official YouTube Channel – Accounting Playlist https://www.youtube.com/watch?v=8D7-C66qQr4&list=PLeJtXzTubzj_Do0kR4D10ly-_IVqw7DT4

(Search for “Odoo Accounting” or “Odoo Finance” playlists) Odoo eLearning Platform (Free Courses) <https://www.odoo.com/slides> → Browse under “Accounting & Finance” for interactive courses, including:

- Introduction to Odoo Accounting
- Invoicing Workflow
- Bank Reconciliation
- Expense Management

Note: The eLearning platform includes quizzes and downloadable resources to reinforce learning.

Odoo Community & Support

If you have questions beyond the documentation:

- Odoo Forum: <https://www.odoo.com/forum/help-1>
- GitHub Issues (for Community Edition): <https://github.com/odoo/odoo/issues>

For enterprise users, direct support is available through your Odoo account manager or the Odoo Support portal.

12.2 Community Forums and Learning Paths

While official documentation provides foundational knowledge, engaging with the Odoo community and following structured learning paths can significantly accelerate your proficiency in Odoo Accounting. Below are trusted community resources and curated learning journeys designed for Odoo 16.

1. Odoo Community Forums The Odoo Community Forum is a vibrant space where users, developers, and consultants share solutions, best practices, and troubleshooting tips. It's especially useful for real-world scenarios not covered in standard guides.

- Odoo Help Forum (Official)
<https://www.odoo.com/forum/help-1>
 - Search or ask questions about accounting workflows, configuration issues, or reporting.
 - Filter by tags like accounting, invoice, reconciliation, or Odoo 16.
 - Many threads include screenshots, code snippets, and step-by-step resolutions.
- Odoo Community Association (OCA) Discussions
<https://odoocommunity.org/>
 - Focused on open-source collaboration and module development.
 - Useful if you're using OCA accounting modules (e.g., account-financial-tools, account-payment).

Pro Tip: Before posting a new question, use the forum's search function—chances are, your issue has already been addressed!

2. Structured Learning Paths for Odoo 16 Accounting To build your skills systematically, follow these recommended learning paths. These are ideal for accountants, bookkeepers, and finance managers new to Odoo.

Beginner Path: Core Accounting Setup & Daily Operations

- (a) Company & Fiscal Year Configuration
 - Set up your company, chart of accounts, and fiscal positions.
- (b) Customer & Vendor Management
 - Create partners, payment terms, and tax settings.
- (c) Invoicing Basics
 - Create sales and purchase invoices, apply discounts, and manage payments.
- (d) Bank Reconciliation
 - Import bank statements and reconcile transactions.

Intermediate Path: Automation & Compliance

- (a) Recurring Invoices & Subscriptions
 - Automate billing for retainers or subscriptions.
- (b) Expense Management
 - Submit, approve, and reimburse employee expenses.
- (c) Tax & VAT Reporting
 - Configure tax groups, file VAT returns, and generate legal reports (region-specific).
- (d) Multi-Currency & Multi-Company Accounting
 - Handle foreign transactions and consolidate books across entities.

Advanced Path: Customization & Integration

- (a) Custom Financial Reports
 - Use Odoo Studio or developer tools to build tailored P&L or balance sheet views.
- (b) API & Third-Party Integrations
 - Connect with payment gateways, e-commerce platforms, or payroll systems.
- (c) Audit Trails & Journal Locking
 - Enforce period closures and maintain compliance.

3. Free & Community-Driven Learning Resources

- Odoo Tutorials on YouTube (Community Creators)

Channels like Odoo Mates, Thinkwell, and ERP School offer practical Odoo 16 accounting walkthroughs.

Search: “Odoo 16 accounting tutorial” or “Odoo bank reconciliation 16”

- GitHub Repositories (OCA)

Explore open-source accounting modules and documentation:

<https://github.com/OCA/account-financial-tools>

<https://github.com/OCA/account-invoicing>

- Reddit & LinkedIn Groups

– r/odoo on Reddit: <https://www.reddit.com/r/odoo/>

– LinkedIn: Search for “Odoo Accounting Professionals” or “Odoo Users Group”

Note: Always verify compatibility with Odoo 16, as features and interfaces may differ across versions.

12.3 Frequently Asked Questions (FAQs) and Troubleshooting Guide

This section covers the most common questions and issues encountered when using Odoo Accounting (v16), along with practical troubleshooting steps. Use this guide to quickly resolve errors, understand system behavior, and ensure smooth financial operations.

1. General Accounting Setup

Q1: Why can't I see the Accounting app after installation?

A:

- Ensure your user has the “Adviser” or “Billing” role in Settings > Users & Companies > Users.
- If using Odoo Community Edition, verify that the Invoicing app is installed (Accounting features are part of the Invoicing app in Community).
- In Enterprise, install the Accounting app from the Apps menu.

Q2: How do I change my Chart of Accounts after setup?

A:

- Go to Accounting > Configuration > Accounting > Chart of Accounts.
- You can edit account names, codes, and types, but you cannot switch to a completely different country's chart after transactions exist.
- Warning: Changing core accounts after posting entries may affect reporting integrity.

2. Invoicing & Payments

Q3: My customer invoice shows “Nothing to invoice” – why?

A:

This typically occurs in sales orders when:

- The product's Invoicing Policy is set to Delivered quantities, but no delivery has been confirmed.
- The order line is already fully invoiced.

Fix:

- Go to the Sales Order → click Create Invoice → select Invoiceable lines.
- Ensure the product is set to Ordered quantities if you want to invoice before delivery.

Q4: How do I apply a partial payment to an invoice?

A:

- Open the invoice.
- Click Register Payment.
- Enter the partial amount (less than the total due).
- Odoo will automatically mark the invoice as Partially Paid and create a journal entry.

The remaining balance stays open until fully paid.

Q5: Why is my payment not reconciling automatically with the invoice?

A:

Common causes:

- The partner on the payment doesn't match the invoice.
- The currency or amount differs slightly (e.g., due to rounding).
- Bank statement lines aren't linked to the correct invoice.

Fix:

- Go to Accounting > Bank > Reconciliation and manually match the payment to the invoice.

3. Bank Reconciliation

Q6: Imported bank statements show "No match found" – what should I do?

A:

Odoo uses rules to auto-reconcile based on:

- Partner name
- Reference/communication field
- Amount

Troubleshooting steps:

- (a) Ensure the bank statement description includes the invoice number or partner name.
- (b) Go to Accounting > Configuration > Bank Rules and create a custom reconciliation rule.

- (c) Manually select the correct invoice during reconciliation.

Q7: Can I undo a bank reconciliation?

A:

Yes—but only if the journal entry hasn't been locked.

- (a) Go to the reconciled journal entry (Accounting > Accounting > Journal Entries).
- (b) Click More > Unreconcile.
- (c) The transaction will return to the reconciliation queue.

Note: You cannot unreconcile entries in a locked period (e.g., closed fiscal year).

4. Taxes & Reporting

Q8: Why is tax not appearing on my invoice?

A:

Check the following:

- The product has a tax assigned (in Product form > Sales tab).
- The customer's fiscal position isn't overriding or removing the tax.
- Your company's tax settings are correctly configured under Accounting > Configuration > Taxes.

Q9: How do I file a VAT return in Odoo?

A:

- (a) Go to Accounting > Reporting > VAT Report.
- (b) Select the reporting period.
- (c) Odoo auto-calculates input and output VAT based on posted invoices.
- (d) Click File Report (Enterprise) or export the data for manual submission (Community).

VAT report formats vary by country—ensure your localization package is installed.

Chapter 13

Comparison Between Enterprise and Community Editions

Feature	Community Edition	Enterprise Edition
Core Accounting (General Ledger, Journal Entries, Trial Balance)	Fully Supported	Fully Supported
Automated Bank Reconciliation	Manual reconciliation only	Smart auto-reconciliation using AI-based matching rules
Bank Synchronization	Not Available	Direct bank feeds via Plaid, Yodlee, or file import (OFX, CAMT, etc.)
Payment Follow-Ups & Reminders	Not Available	Automated dunning: schedule email/SMS reminders for overdue invoices
Aged Receivables/- Payables Reports	Basic aging report	Enhanced aging reports with filters, drill-down, and email capability
Multi-Currency Handling	Supported (manual exchange rates)	Supported with automatic exchange rate updates
Asset Management (Depreciation)	Not available	Full fixed asset module with automated depreciation schedules
Deferred Revenue & Expenses	Not available	Automatic recognition of revenue/expenses over time
Budget Management	Not available	Create, track, and alert on budget vs. actual spending

Analytic Accounting (Cost Centers, Projects)	Basic analytic accounts	Advanced analytics with grids, planning, and real-time dashboards
Customizable Dashboards	Limited to standard views	Fully customizable accounting dashboards with KPIs and charts
Document Recognition (Invoice Scanning)	Not available	Upload supplier bills → auto-extract data using AI (Odoo IAP)
Batch Payments (SEPA, Check, etc.)	Basic support (manual creation)	Automated batch payment generation and file export (e.g., SEPA XML)
Audit Trail / Logging	No built-in audit log	Track changes to journal entries, taxes, and key accounting data
Multi-Company & Inter-company Transactions	Basic support	Full intercompany automation (auto-create cross-company invoices)
Mobile App Access	Not optimized	Fully supported on Odoo mobile app (approve bills, view dashboards)
Priority Support & Updates	Community forums only	Direct access to Odoo support team and guaranteed SLAs

Table 13.1: Comparison of Odoo Accounting Features: Enterprise vs. Community Editions