

# Accounting Go-Live Checklist

## Introduction

Setting up Odoo [Accounting](#) is a multiple-step process. We strongly suggest you review everything listed in sufficient detail to understand the conceptual and practical impact of each decision involved during setup.

## General Timeline

3 weeks before...	1-2 weeks before...	1 day before...	Go Live Day
Set up general accounting information <a href="#">↗</a>	Accounting Data Preparation <a href="#">↗</a>	Exit legacy system <a href="#">↗</a>	Invoice & bill import <a href="#">↗</a>
Set up Chart of Accounts <a href="#">↗</a>	Duplicate daily work in Odoo test database <a href="#">↗</a>		Inventory adjustment <a href="#">↗</a>
Tax configuration <a href="#">↗</a>			Trial balance import <a href="#">↗</a>
Product category configuration <a href="#">↗</a>			Bank statement import & reconciliation <a href="#">↗</a>
Create bank & credit card journals <a href="#">↗</a>			

## Practice and Prepare

Practice going live following this document at least once to know how long it takes and to make sure you are able to complete all the necessary go live steps.

Test common financial workflows that will need to occur on Go Live Day, like sales order to receiving payment, purchase order to paying bill, bank reconciliation, financial reporting, etc.

Wherever possible, close out open Sales Orders, Delivery Orders, Purchase Orders, Receipts, Invoices, Bills and Payments - leaving only those that you cannot close prior to going live.

Duplicating daily work in Odoo for at least two weeks prior to Go Live Day greatly decreases the chances of issues appearing on Go Live Day.

## 3+ Weeks Before Go Live

The items in this section should be completed in order, and well before go live. The Chart of Accounts can easily be set up in Test and exported/imported into Production. Bank Accounts can be added in a test database as well as a production database. *Note: currently in V15, a credit card cannot be added into a test environment. We recommend testing credit card sync in a one-app free environment.*

### Set up General Accounting Information

1. Make sure to rename Accounts 101402, 101403, 101404 to describe your main bank account. *Note that in QuickBooks, the Undeposited Funds account translates to Outstanding Receipts and Outstanding Payments accounts in Odoo.*
  - a. Create a new account for each additional Bank and Credit Account. Credit Card accounts should be of Type = Bank and Cash, and switched to Credit Card after journal creation.
2. **Review and consolidate your Chart of Accounts.** Excess detail in the COA reduces efficiency, and now is the perfect time to simplify the COA as you switch Accounting systems.\*
3. Create/Import your Products
4. Create/Import your Contacts (vendors and customers)
5. Enter your default Terms & Conditions\*
6. Set up your Payment Terms for both your customers and your vendors\*
7. Set up your company's legal name, tax ID, address, phone/email, and logo\*
8. Make sure the currency is correct, and activate additional currencies (and exchange rate updates) if you plan to work in a multi-currency environment
9. Assign taxes to your products (if needed)
10. Set Fiscal Year end date / Fiscal period definitions
11. Set Tax Return Periodicity (how often tax returns have to be made)
12. Set rounding method (globally or per line)
13. Configure your document layout, invoice template, email templates and financial reports
14. Review sequences for documents - invoices, bills, credits, payments, journal entries, etc

*\*For Multi-Company environments, you want this information for EACH Company.*

### Set up Chart of Accounts

15. Install the relevant chart of accounts (based on your country, or the configurable chart if we don't have a localization).
16. Duplicate the [US COA Mapping Spreadsheet](#) (or [Canadian COA Mapping Spreadsheet](#)). Map your existing COA to Odoo's standard COA. Only edit under 'Client COA'. Do not

change the types of any highlighted accounts, as these are linked to other records (like the default AR and AP accounts for Partners, the default Income and Expense accounts for Products). Multi-company clients require multiple COAs.

- a. Create an Outstanding Receipts and Outstanding Payments account for each additional bank and credit card account. Outstanding accounts should be Current Assets and reconcilable. These additional accounts should be listed at the bottom of 'Client COA'.
17. Update Odoo's standard COA to match the existing COA. This can be done two ways:
  - a. Manually make changes to individual accounts already in Odoo standard COA via Accounting > Settings > Chart of Accounts. Make sure not to change the types of any highlighted accounts from the Mapping Spreadsheets. Then, manually create additional accounts or import them via Accounting > Settings > Chart of Accounts > Favorites > Import Records.
  - b. Have a BSA import the data.
18. Once COA is in, run every type of transaction you normally use (pay bills, create and receive money for invoices, create expenses, make a test write-off, internal transfer to pay off a credit card) and validate that the journal entries are hitting the right accounts.
19. Confirm you have the correct default accounts set on the accounting settings page.

## Create Bank and Credit Card Journals

20. Set up the journal for your main bank account via Accounting > Dashboard > Bank > Configuration.
  - a. Rename Journal Name 'Bank' to describe your bank account.
  - b. Under the Journal Entries tab, the Bank Account listed should already be labeled from step 15a. If it's not, rename the Bank Account to describe your main bank account, and make sure it's of type Bank and Cash.
  - c. Set the Short Code - 4 characters max. The short code will appear as the prefix to all journal entries associated with bank statements from this bank.
  - d. Set the Account Number (doesn't have to be the actual bank account number).
  - e. Under the Incoming Payments and Outgoing Payments tabs, select the Outstanding Receipts and Outstanding Payments accounts (you may need to unhide them from the kebab menu) that match with this main bank account (should already be labeled from step 15a. If it's not, use the pop out to rename the Outstanding Payments and Outstanding Receipts accounts to match this bank account.)
21. Set up additional journals for each bank and credit account, if you have them.
  - a. First, create the journals via Accounting > Configuration > Journals. Update the Journal Name to describe your bank account. Update the Type to be Bank.
  - b. On each new bank journal, you will need to select the bank account from step 15b, the suspense account, the short code, and the account number under the Journal Entries tab.

- c. Set the Outstanding Receipts and Outstanding Payments accounts under the Incoming and Outgoing Payments tabs. Each bank account should have its own Outstanding accounts, but they can all share the same suspense account. These Accounts should be pre-created from the Chart of Accounts step 15c.
- d. If the account is a credit account, change the Account (not journal) to be of Type=Credit Card after journal creation. The Outstanding Payments/Receipts accounts need to be of type Current Liabilities. The suspense account can remain an asset and be shared with debit accounts.

## Tax Configuration

22. Create common [taxes](#) and rates\*
23. Set default taxes in Accounting Settings\*
24. Configure [Fiscal Positions](#). If you have any tax exemptions a Fiscal Position would need to be set up to remove tax.

## Product Category Configuration

Configure all [accounting settings on product categories](#).

25. Define your [Inventory costing method](#)
26. Define [valuation method](#) (if using the Inventory App) for your Product Categories. If your method is Automated, **leave this method as manual on all product categories until Go Live Day**. We recommend this because if your Valuation is set to Automated, journal entries will be created when stock moves in and out of inventory, and can cause issues/rework if anything goes wrong on Go Live Day.
27. If you have more than one Stock Valuation Account, define those (should be of Type Asset) on Product Categories. The interim accounts can be shared between multiple Stock Valuation Accounts.
28. Define income and expense accounts on your Product Categories.

## 1-2 Weeks Before Go Live

### Accounting Data Preparation

These documents need to be prepared for Go Live Day:

- Trial Balance ([example template](#))
  - Each bank account (imported as to the bank's Outstanding Payments/Receipts account) must equal the bank statement as of Go Live Day.
- Open bills/invoices ([example template](#))
  - Invoices and bills are imported with one line (not including line items or tax line items) and reflect the total remaining amount due.
  - The total of open invoices must equal the total AR on the Trial Balance.
  - The total of open bills must equal the total AP on the Trial Balance.
  - Invoices and Bills should only reference contacts that exist in Odoo.
- On-hand inventory ([example template](#))
  - The cost set on the product page in Odoo multiplied by the quantity on hand is the total value of an inventory item.
  - The total value of on-hand inventory needs to equal the total of the Stock Valuation account(s) on your Trial Balance.

### Duplicate daily work in Odoo test database

Now that most accounting needs have been built out in a test database, duplicate daily work in Odoo. This will allow for validation of workflows, any side cases can be addressed, and you will gain comfort in the system. By working in tandem with your legacy system, any issues with the workflows will come to light and be resolved during testing instead of on Go Live Day.

As you test and validate, make sure to update the Production database so settings and customizations are up to date for Go Live Day.

## 1 Day Before Go Live Day

### Exit Legacy System

This is the last day in your legacy system. At the end of the day, reconcile all transactions and then send Odoo the following:

- Trial balance
- Open invoices
- Open bills
- On-hand inventory
- Bank and credit card statements, if importing manually

Validate the Trial Balance can reconcile fully with the opening bank statements.

If you have existing journal entries in Odoo that are created before your intended Go Live date, they need to be mass canceled. For example, if you accidentally made invoices/bills in production, if you went live with other applications before accounting, or if you're upgrading from Invoicing to Accounting, you can cancel all journal entries from before a certain date. To do this, go to Settings > Accounting > Invoicing Switch Threshold and set the date. Bills, invoices, and any other journal entries before this date will all be canceled and have an "Invoicing App Legacy" banner so they won't affect the account balances that you import during your Accounting Go-Live.

## Go Live Day

### General Steps

1. Import the open invoices/bills
  - a. If the client has specific invoice numbers that already exist in Odoo, the data import will throw an error due to duplicate invoices of the same number. We may have to resequence the invoices in this case.
2. Import opening inventory as an inventory adjustment
3. Import the trial balance
4. Add bank statements:
  - a. If the syncing your banks with Odoo, go ahead and sync the bank to pull the statements automatically (see [Automatic Statement Sync](#) below)
  - b. Otherwise, manually create statements or import the statements via .csv or .ofx
5. Reconcile bank statements with Outstanding Payments/Receipts accounts

### Detailed Steps

#### 1. Invoices and Bills

1. Prepare the Trial Balance and Open Invoices/Bills using templates from the [Accounting Data Preparation](#) step. **All items must be reconciled, the trial balance must be balanced, the sum of their inventory on hand should equal their inventory account(s) on their trial balance (if automated), and the sum of the open invoices/bills should be equal to the AR and AP on their trial balance respectively.** Invoices and Bills should only reference contacts that exist in Odoo and should have the following fields:
  - a. Partner - Vendor / Customer (name must exactly match an Odoo contact record)
  - b. Number - bill or invoice number (ie BILL/2021/9999) - Number shouldn't be in the system yet, if so we'll have to resequence
  - c. Reference - bill or invoice reference (ie name of document that created this bill or invoice - not required)
  - d. Invoice / Bill Date - date the invoice or bill was created (note that Odoo will throw an error on import if the year in the Number and the year in this field are different)
  - e. Due Date - date the invoice or bill is due
  - f. Amount Due - the total amount due on the invoice / bill (if partial payments have been made, this is for the remaining amount due ie Total minus Partial Payments)
  - g. Currency - currency that the bill or invoice was issued in
2. Validate the data:
  - a. AP = sum of open bills

- b. AR = sum of open invoices
  - c. Trial balance is balanced (debits = credits)
  - d. Contacts exist in Odoo
  - e. Check for negative invoices and negative bills
    - i. If any Invoices are for negative amounts, they are Credit Notes and should be imported separately as a positive value under the Customers > Credit Notes menu. Change the Number to RINV/YEAR/NUMBER instead of INV/YEAR/NUMBER and (optional) change the Reference to “Reversal of: [INV Number]”.
    - ii. Similarly, if any Bills are for negative amounts, they are Refunds and should be imported separately as a positive value under the Vendors > Refunds menu. Change the Number to RBILL/YEAR/NUMBER instead of BILL/YEAR/NUMBER and (optional, only recommended if you actually know which bill this is reversing) change the Reference to “Reversal of: [BILL Number]”.
  - f. Check for different currencies:
    - i. If importing open invoices/bills with different currencies, create a historical exchange rate for the date of creation for each invoice or bill in a different currency.
3. In debug mode - Import open Invoices/Bills and Credit Notes/Refunds (in four separate imports to the correct model) with the following Fields (note the last two are fields that need to be added manually):
- a. Partner - Vendor / Customer (name must exactly match an Odoo contact record)
  - b. Number - bill or invoice number (ie BILL/2021/9999)
  - c. Reference - bill or invoice reference (ie name of document that created this bill or invoice - not required)
  - d. Invoice/Bill Date - date the invoice or bill was created (note that Odoo will throw an error on import if the year in the Number and the year in this field are different)
  - e. Due Date - date the invoice or bill is due
  - f. Invoice Lines/Unit Price - the total amount of the invoice / bill (total is a calculated field, so we can't import to that)
  - g. Currency - currency that the bill or invoice was issued in (optional)
  - h. *Invoice Lines/Account* - code of the appropriate clearing account (AR Clearing for invoices, AP Clearing for bills - ie 777777 for invoices, 888888 for bills)
  - i. *Invoice Lines/Label* - a label for the invoice/bill (ie “Open Invoices” / “Open Bills”)
4. If using the template provided above, delete the second row (the description of each field; this row is highlighted in yellow), make sure the Invoice Lines/Account and Invoice Lines/Label columns are all filled, and import.
5. All Invoices/Bills and Refunds/Credit Notes are imported as drafts. Review them to make sure they look correct, and then mass select and Action > Post Entries.

## 2. Inventory

1. Make sure all product categories have the correct costing method. Leave valuation changes until after the inventory adjustment is completed and validated.
2. Make sure a product cost exists for every product you plan to import so you don't create inventory with no value. **Depending on the costing method, cost changes over time, so make sure the most recent cost is set on the product when importing the initial adjustment.**
3. Validate product costs and quantity based on costing method, to ensure total product cost in Odoo matches up with the stock valuation on the Trial Balance:
  - a. Standard Cost: the total value for a product should always equal the cost listed on the product record times the quantity on hand.
  - b. AVCO: the total value for a product should always equal the cost listed on the product record times the quantity, but that cost on the product will change over time as we acquire inventory, whether by purchasing, manufacturing, or inventory adjustment.
  - c. FIFO: the total value for a product is the sum of each individual product's acquisition cost. Therefore, this costing method takes fluctuating acquisition cost into account. Products need to be imported with the same average cost, and once imported, FIFO cost will be calculated moving forward.

### Manual Inventory Valuation

Since no journal entries will be automatically generated by Odoo, no further steps are required for handling inventory from an accounting standpoint. You will need to import via inventory adjustment as detailed below in order to have accurate product counts as you start using Odoo.

Start an inventory adjustment and then import the lines with the following fields:

- Product.product external ID
- Counted Quantity
- Location (if multi-warehouse or locations are enabled)
- Lot/Serial Number (if applicable)

At the end of each period, you will need to make a manual journal entry to update your inventory valuation. Ask your accountant what this journal entry should look like, or follow the instructions listed below:

At the end of the month/year, your company does a physical inventory or just relies on the inventory in Odoo to value the stock into your books.

Then you need to break down the purchase balance into both the inventory and the cost of goods sold using the following formula:

Cost of goods sold (COGS) = Starting inventory value + Purchases – Closing inventory value

To update the stock valuation in your books, record such an entry:

	Debit	Credit
Assets: Inventory (closing value)	X	
Expenses: Cost of Good Sold	X	
Expenses: Purchased Goods		X
Assets: Inventory (starting value)		X

### Automated Inventory Valuation

1. **Leave the inventory valuation method as manual on all product categories until after your initial inventory adjustment is completed and matches the Trial Balance stock valuation amount.**
2. Start an inventory adjustment and then import the lines with the following fields (see template in [Accounting Data Preparation](#), making sure to remove Product Cost, and Total Value from the template prior to importing):
  - a. Product.product external ID
  - b. Lot/Serial Number (if applicable)
  - c. Counted Quantity
  - d. Unit of Measure
  - e. Location (if multi-warehouse or locations are enabled)
3. After the import is successful, check the total value in the Inventory Valuation Report to ensure it matches the total inventory valuation amount found in the Trial Balance.
  - a. If these numbers do not match, there could be an issue with product cost in Odoo, the inventory count, the Trial Balance inventory valuation amount, etc. This needs to be corrected before moving forward.
  - b. If these numbers match, edit the product categories:
    - i. Set Inventory Valuation to Automated. Do not save until the rest of Step 3 is finished.
    - ii. If you have multiple Inventory Valuation accounts, set the correct Inventory Valuation account for this product category. Do not save until the rest of Step 3 is finished.
    - iii. Set the Stock Input Account to the Inventory Clearing Account 555555. Once saved, the Inventory Clearing Account will be credited and the Inventory Valuation account will be debited.

- c. Edit the product category again and set the Stock Input Account back to Stock Interim (Received).
- d. Repeat Steps 3b and 3c for each product category that will have an Automated valuation.
- e. Check the General Ledger to make sure the Inventory Clearing Account is balanced (debits = credits).

### 3. Trial Balance

1. Edit your Trial Balance, making sure to replace AR/AP (and Inventory if using Automated Inventory Valuation) with their clearing account.
  - a. Accounts Receivable = AR Clearing - 777777 (Type = Current Assets)
  - b. Accounts Payable = AP Clearing - 888888 (Type = Current Liabilities)
  - c. Stock Valuation = Inventory Clearing - 555555 (Type = Current Assets). If there are multiple Stock Valuation accounts, replace all with Inventory Clearing. Skip if manual inventory valuation is used.
2. For bank and credit card accounts:
  - a. If positive, replace the bank account with the bank's Outstanding Receipts Account
  - b. If negative, replace the bank account with the bank's Outstanding Payments Account
  - c. This allows us to reconcile each individual line (journal item) against the corresponding opening bank statement line.
3. Import your Trial Balance as a Journal Entry. Note that you must be in debug mode and check "Allow matching with subfields" so you can access all the fields:
  - a. Journal Items / Account
  - b. Journal Items / Debit
  - c. Journal Items / Credit
  - d. Journal Items / Label (optional)
4. Trial Balance is imported as a Draft. Add a Reference "Opening Trial Balance" and post it.
5. Hide clearing accounts from the Balance Sheet by changing the Account Type = Off-Balance Sheet after the import.

### 4. Bank and Credit Card Statements

#### Automatic Statement Sync

1. Sync bank and credit accounts to any day with recorded transactions. See [this video](#) for how to set up a credit card and sync automatically.
2. Review the statement total as of the last entry before Go Live Day. If the account is a Credit Card, make sure the value is negative. This total must equal the Trial Balance Outstanding Payment or Receipt account. If it is unequal, consult your accountant. See [this side case](#) for any outstanding withdrawals/deposits.

3. Combine all bank statement lines prior to Go Live Day into one by deleting each line and adding one new line that is equal to their sum. Label this Opening Entry.
4. Typically clients reconcile the Opening Entry line against that bank account's Outstanding Payments/Receipts account on the trial balance. Odoo cannot reconcile statements on your behalf.

### Manual Statement Import

Manually create or import bank statements via .csv or .ofx.

1. First, double check that balance on the Go-Live date equals that of the trial balance for each bank account. If they are equal, continue to the next step. If they are not equal, review the Side Cases section below about outstanding deposits/withdrawals, or consult your accountant.
2. Create a bank statement with a single bank statement line (Label: Opening Entry) for the date of your Go-Live with the value of that bank account's Outstanding Payments/Receipts account according to the trial balance.
3. Post this, and then reconcile it against that bank account's Outstanding Payments/Receipts account on the trial balance.
4. When creating/importing bank statements in the future, do not include bank statement lines from before the Go-Live Date since this data was already included in the opening entry.

## Manufacturing With Accounting:

When manufacturing products with the default accounting configurations, value gets stuck in the Stock Interim Received and Delivered accounts. To prevent this, additional steps are required. A video explaining this problem and the solution is available [here](#).

1. Create a new Current Asset account called Manufacturing Interim
2. Go to Locations > Clear filter > Virtual Locations/Production > And add this Manufacturing Interim account to both Stock Valuation Accounts

Note that if you set a cost on the workcenter, this Manufacturing Interim account will not balance automatically, as the cost of the finished product is greater than the cost of its components. Additional information on how to keep track of manufacturing accounting in Odoo is available [here](#).

## Other Resources

## Additional Options to Consider After Go-Live

- Batch payments
- Analytic accounts/tags
- Cash rounding
- Margin analysis
- Configure assets and/or asset models
- Configure payment acquirers
- Configure check printing
- Internal transfers (paying off a credit card) training
- Keep track of tax payable and tax received by individual state

## Side Cases

### New Business / Owner Equity

Sometimes clients come to Odoo as new businesses without a trial balance to import, but they already have a balance in their bank account. To handle this, we need to create a condensed trial balance that includes this bank balance while keeping it balanced.

1. Manually create a journal entry for this condensed trial balance.
2. Add the bank balance as a debit to the outstanding receipts account for that bank, and balance it with a credit of the same amount to Odoo's default 301000 Capital account or whatever equity account you've replaced it with in the COA mapping process.
3. Reconcile this outstanding receipts line against the bank statement.

### Multiple POS Drawers Require Multiple Cash Journals

If you have our Point of Sale App and have multiple drawers, a separate cash journal will need to be created for each additional drawer.

1. Go to the POS App.
2. Go to Configuration > Payment Methods.
3. Open "Cash".
4. Duplicate the entry.
5. Modify the duplicated entry (eg: Cash 2) with a new journal (eg: "Cash 2")
6. Set appropriate accounts for the new journal.
7. Click Save.
8. Add/Remove the new Payment Method to the respective shops.
9. Save.

This should separate the cash controls for each POS drawer. Repeat the above steps until each shop has their own Cash Payment method.

## Importing Trial Balance After Going Live

- Ideally, we will import the trial balance on the Go-Live Date with the open invoices/bills, but it is often the case that the client's trial balance isn't ready. This is okay. We can import the trial balance later, but we won't be able to create and reconcile the bank statement opening entry until the trial balance is imported. Also, if inventory is imported with the open invoices/bills, the value of the imported inventory may not line up with the trial balance, leading to an unbalanced inventory clearing account. Make sure the value of the inventory matches what is on the trial balance.

## Bank Statement Not Equal to Trial Balance

- If the company is larger, they may always have outstanding deposits/withdrawals that haven't hit their bank yet but have been registered in their legacy system, so they aren't included in the open invoices and bills. In this case, we need a list that details each transaction that is still outstanding as of the go-live date. Then, before we import the trial balance, we'll separate that bank account's line on the trial balance into multiple lines:
  - Balance according to the bank statement
  - Outstanding transactions (ideally each transaction on its own line to make it easier to reconcile against, but it can just be one lump sum for payments and one for receipts that they'll reconcile against)

## Switching from Standard to FIFO after going live (Automated Inventory Valuation)

When you switch from standard to FIFO, journal entries will be created and the expense account selected on the product category will be hit. To correct this, switch the expense account to Stock Interim Received before changing your costing method to FIFO, then after the switch, switch it back. That way the 2 journal entries created are

- Inventory	+ Stock Interim Received
+ Inventory	- Stock Interim Received

## Switching from Manual to Automated Inventory Valuation after going live

This is a complicated process that involves removing and adding back your inventory through adjustments. Ray has a step-by-step guide from v13 [here](#) that explains the accounting implications.

## Importing Open Sales / Purchase Orders or Invoices / Bills with Line Items

While we try to avoid importing open sales and purchase orders, there are times when it is unavoidable. Keep in mind that we cannot import to calculated fields such as total, but we can import to individual lines of the SO/PO. To do this, we have to specify the external ID of each record (SO/PO/INV/BILL) and then we can include multiple line items underneath that record. This structure will allow us to import additional fields such as “Invoice lines / Account” and “Invoice Lines / Analytic Tags” and set a different value for each individual line within a single record. A template demonstrating the structure of a multi-line import like this is available [here](#).

## How to Backdate Go-Live

If you want to go live later in the year with your inventory and trial balance from some time in the past (i.e. at the end of the previous fiscal year), and you have a record of all your inventory moves, sales, and purchases, a detailed explanation of this process is available [here](#).

## Additional Resources

- To learn more about Odoo's double-entry Inventory Management, see <https://www.odoo.com/documentation/functional/double-entry.html>
- To see an interactive primer on how standard Odoo transactions affect the GL, see <https://www.odoo.com/documentation/functional/accounting.html>
- To learn more about the different product costing methods Odoo supports, see <https://www.odoo.com/documentation/functional/valuation.html>
- To watch videos demonstrating how to use accounting in Odoo, see <https://www.odoo.com/slides/accounting-19>
- For general documentation on accounting in Odoo, see <https://www.odoo.com/documentation/user/15.0/accounting.html> and <https://www.odoo.com/en/14.0/accounting/index.html>