# 03

# Accounting Types

Odoo 19 Enterprise Â· Accounting

Odoo supports two accounting conventions (Continental and Anglo-Saxon) and two timing methods (Accrual and Cash basis). Understanding these settings is important before you begin recording transactions.

## 1 Continental vs Anglo-Saxon accounting

Continental accounting (the default) records the cost of goods as soon as they are received into stock. Anglo-Saxon accounting records the cost only when goods are invoiced to a customer. For most Malaysian companies, Continental is the correct setting.

## 2 Switch to Anglo-Saxon accounting

**Accounting** â–º **Configuration** â–º **Settings** â–º **Anglo-Saxon Accounting**

If your company uses Anglo-Saxon accounting, enable it under Settings. Tick the Anglo-Saxon Accounting checkbox and save. This affects how the cost of goods sold is posted in journal entries.

> **Change with caution â€”** Switching accounting type on a live database with existing transactions can cause reconciliation issues. Always make this change before recording any transactions, or consult your accountant.

## 3 Accrual vs Cash basis accounting

In Accrual basis accounting, revenue and expenses are recorded when they occur â€” regardless of when cash is exchanged. This gives a more accurate picture of financial health and is required for most registered businesses. In Cash basis accounting, revenue and expenses are recorded only when cash is received or paid. Odoo defaults to accrual basis.

## 4 View cash basis transactions in reports

**Accounting** â–º **Reporting** â–º **Profit and Loss** â–º **Options**

You do not need to switch your accounting type to view cash basis figures. In any financial report, click Options and select Cash Basis to see the report filtered to cash-basis transactions only. This is useful for comparison or for companies that track both methods.