

# **Financial Modelling Guidelines**

#### **Ownership & Protection** Set-up One analyst builds and owns the Avoid multiple workbooks where model possible Save all old model versions in a References to external links should seperate folder, these act as a back be clearly identified up · Import the links into an "input sheet" Passworrd protection of cells • Then reference as required containing formulas will help minimise end-user error Provides more transparancy and allows the link to be broken without resulting in hardcoded values being locked into formulas **Calculations** Formatting Simple is best Use Consistent formatting Always opt for formulas over VBA • Highly beneficial when sharing where possible models with co-workers • Aim to have one consistent formula in •Allows them to get a quick each row or column handle on a new model Keep column and row headings consistent eg. "Jan 2021" is alwways in column "C" Consistent colour coding and formatting of inputs is a must • Test as you build, add error checks • Limit the use of modelling tools such as spinners as they introduce an extra

layer of complexity

#### Structure

- Menu Hyper links to all relevant sheets
- Inputs Clearly ifnyified cell for data entry
- Calculations This is the engine room of the model and cells should be protected
- Outputs & Reports

### Inputs

- Separate the "Inputs" from the calculations
- User knows exactaly where they need to enter data
- Reduces the likelihood of a user inadvertently tampering with calculations
- Input data only once then always refer back to this cell
- Future changes to this input only have to be updated once
- Avoids potential inconsistencies

#### Outputs

- Have one summary sheet displaying all key results and metrics
- Additional reports, charts and dashboards can be added to suit business needs

## Documentation

- Models should be logical and reasonably self-explanatory
- Use comments and user guidelines where necessary for more complex calculations