Setting Up

When the financial template opens, a warning may appear regarding macros. The macros have been deleted from the file, so you may disregard this warning.

The first thing you should do is to is <File>, <Save As> and save the file as the name of the business. This eliminates the risk of you overwriting the template and the file name is picked up as the title in printed reports.

All cells with red upper right corners have imbedded instructions. Place your cursor over those cells to view the instructions.

The individual sheets in the financials template are protected. Entries can not be made to cells, other than colored cells. Yellow cells are for entries, blue cells are to be used with caution. Most clients will not need to enter data in or change these cells.

If you are proficient at Excel and need to modify locked cells, may unlock them with the <file>, <Unprotect> commands. Each sheet must be unlocked separately and there is no password. Once you make the changes necessary for your state, I suggest you protect them with a password. There are a great many formulas in the locked cells and, if you modify them, the feasibility of your plan may not be indicated correctly. It may be hard to detect the error.

The first task if working outside of Connecticut is to modify the state tax tables on the TAX tab, starting on cell G45. Connecticut has a complex state income tax and you may not need all of the tax brackets, but you must use them all or the formula may return a zero tax for higher incomes. The simplest way to get around this is to repeat the highest bracket to fill the table.

If you put in a percent of federal income tax factor at the bottom, that will override the entire table. If you have no state income tax, do not put a zero on the federal tax factor, as that will not override the table. If you have no state income tax, simply put zero in all of the base and marginal rates in the entire table.

This template begins January of 2009 and can be set to start the first month of any year through 2100. On line 5 of the TAX tab, set the year and the date of the first Monday of that year. The latter is used to calculate pay periods.

Working with the Template

The most important thing with any financial projections is to be grounded in reality. All costs and expenses can be known with a great degree of accuracy with a bit of research. The phone company will tell you what service costs, product prices are in catalogs and services can be quoted.

Sales should not be "guestimated" either. They must be based on reasonable extrapolations from verifiable date – industry statistics, comparable store sales, market surveys or the business history. You are advised to prod for low, but reasonable, sales estimates. If the plan works on those, then surprises after opening are likely to be pleasant ones.

This template is a seven-year projection. You should be aware that it is not just an ordeal necessary to get a loan, it is a powerful model - a set of budgets and benchmarks that can help you run your business and make "what-if?" decisions.

Making the Loan Package

Once the financial model is finished to your satisfaction, the final task is to turn it into an attractive exhibit. This takes a bit of Excel skill.

Unlock each sheet and hide unused lines and columns. On the CASH FLOW sheet, you should hide columns before the start date.

Next, view the print preview to see that the data is presented attractively. Use the size on the print set-up screen to set the size properly. That will depend on how many lines you were able to hide. Generally 70-75% works for the CASH FLOW page. The STAFFING page will be dependant on the number of employees.

You will want the data to print one year to the page for the CASH FLOW and STAFFING pages. Once you get the size right, use the page break preview view and drag the page breaks to accomplish this.

After each page is done, lock it back up with <Tools>, <Protect>, using the password. Save the file after each page is done so you can go back to a saved version if you accidentally corrupt an unprotected formula.

To print an attractive loan package, select the Sources & Uses Tab, then hold down the <Shift> key and click on the LOANS tab. If you have no Adjustments, hold down the <Ctrl> key and click on the ADJUSTMENTS tab. Hit the print button and the entire package will print. Note that only the first year of the ADJUSTMENTS tab and the first depreciation column will print on the CAPITAL tab. Sample data should suffice for these overly detailed sheets.