

FMI Foundations in Financial Modeling Program Handbook

FINANCIAL MODELING INSTITUTE

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About Financial Modeling Institute (FMI)

FMI is the world's only financial modeling accreditation body. FMI's goal is to elevate the discipline of financial modeling through rigorous testing, in order to facilitate optimal decision making.

FMI was founded because of the increased need for finance and accounting students and professionals to strengthen and validate their financial modeling knowledge and skills. Financial modeling skills are necessary for finance and accounting professionals who build forecasts because financial models are used extensively to drive decisions in all financing transactions.

With an FMI accreditation, finance and accounting professionals are able to demonstrate that they have the financial modeling skills required to build deal models. In addition, clients and employers can be confident that transaction risk has been reduced because the modeler on the project possesses the level of skill required to perform the modeling for the transaction.

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FMI Foundations in Financial Modeling Program

The FMI Foundations in Financial Modeling program is the first stop on your financial modeling journey.

Financial models are used extensively in finance and accounting roles because they are the most important decision making tool in many industries.

FMI Foundations is your starting point to learn about financial modeling theory and concepts. This introductory program is designed as a pathway to developing the practical modeling skills necessary in the workplace.

The 15-hour program culminates in an on-demand online multiple choice exam.

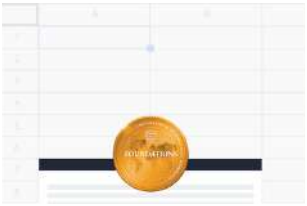
Program Benefits:

- Introduction to financial modeling key concepts and best practices
- Learning resources on optimal model design and flow, financial statements, and advanced technical skills
- Knowledge validation through a multiple choice exam and a personalized digital badge

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After the FMI Foundations Exam

FMI offers accreditation programs from advanced to mastery:
Level 1: Advanced Financial Modeler (AFM)
Level 2: Chartered Financial Modeler (CFM)
Level 3: Master Financial Modeler (MFM)

















Acquire a comprehensive knowledge of key financial modeling concepts that are integral to your financial modeling journey.	Demonstrate your superior modeling skills by building an integrated 3-statement model from scratch, within a fixed time allotment.	Solve sophisticated problems in Excel to further showcase your financial modeling acumen, also within a fixed time allotment.	Expand the global financial modeling knowledge base through your unique contributions to research and insights.
Time commitment: 15 hours	Time commitment: 25-75 hours	Time commitment: 75-125 hours	Application process

The FMI Foundations in Financial Modeling program is FMI's introductory program.

Graduates of the FMI Foundations program are ideally positioned to continue their financial modeling journey by enrolling in FMI's Level 1: Advanced Financial Modeler (AFM) accreditation program. Whereas the FMI Foundations exam evaluates financial modeling knowledge, the AFM program evaluates financial modeling skills.

AFM candidates must pass a rigorous, proctored, 4-hour exam in which they are provided with a case study and are required to build a 3-statement model of a company from scratch. The AFM accreditation validates the practical financial modeling skills required in many finance and accounting roles.

The AFM exam is offered four times a year.

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FMI Foundations Curriculum

CHAPTER 1 - GETTING STARTED — Approximately 1 Hour

This module provides an introduction to the discipline of financial modeling and the Foundations Exam. By completing this module, you will understand:

- The need for and importance of financial models
- The attributes of a strong financial model
- How to plan a financial model
- The two approaches to tab structure
- How to design and layout your model clearly and logically

CHAPTER 2 - THE FRONT END — Approximately 2 Hours

This module covers the different sections in the "Front End" of a financial model. By completing this module, you will understand:

- How to build a cover page and why it is important
- Key attributes of an executive summary
- Important formatting concepts for models
- How to build scenarios for a financial model

CHAPTER 3 - REVENUES — Approximately 1 Hour

The revenues module covers how to forecast revenues and build a company's revenue schedule. By completing this module, you will understand:

- Various methodologies to forecast revenues
- How to build a revenue schedule
- How to incorporate capacity constraints in your revenue schedule

CHAPTER 4 - COSTS — Approximately 1 Hour 30 Minutes

The costs module covers how to forecast the different types of costs and build a company's cost schedule. By completing this module, you will understand:

- The correct way to forecast fixed and variable costs
- The implications of operating leverage
- A methodology to create financial statements quickly and effectively

CHAPTER 5 - DEPRECIATION — Approximately 1 Hour

The depreciation module covers how to build a company's depreciation schedule. By completing this module, you will understand:

- How to structure and build a depreciation schedule
- The Excel function HLOOKUP that allows you to work with Capex forecasts
- How to build a depreciation waterfall model.

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CHAPTER 6 - INCOME TAX

Approximately 1 Hour

The income tax module covers how to build a company's income tax schedule. By completing this module, you will understand:

- Why it is important to build an effective income tax schedule
- The cause of deferred tax
- How to build an income tax schedule
- How to link the income tax schedule to your financial statements.

CHAPTER 7 - WORKING CAPITAL

Approximately 1 Hour

The working capital module covers how to build a company's working capital schedule. By completing this module, you will understand:

- The differences between working capital and other assets and liabilities
- The various assumptions and calculations required to forecast working capital
- How to forecast working capital How to build a working capital schedule.

CHAPTER 8 - CAPITAL STRUCTURE

Approximately 1 Hour 30 Minutes

The capital structure module covers the purpose of a debt and equity schedule, their components, and how they are built. By completing this module, you will understand:

- The common features of various types of debt and equity
- How to build a debt and equity schedule
- Why we model cash in the debt schedule
- Key considerations when modeling the revolver.

CHAPTER 9 - FINANCIAL STATEMENTS

Approximately 1 Hour

The financial statements module covers how to build the three financial statements: Income Statement, Cash Flow Statement and Balance Sheet. By completing this module, you will understand:

- How to build an Income Statement
- How to build a Cash Flow Statement
- How to build a Balance Sheet

CHAPTER 10 - OUTPUTS AND TROUBLESHOOTING

Approximately 20 Minutes

This section covers the steps to finalize your model: building outputs and creating an executive summary. By completing this module, you will understand:

- The most common reasons why the Balance Sheet doesn't balance
- How to build the Executive Summary.

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Promoting awareness, excellence and discipline in Financial Modeling through world-class accreditation programs

