



The Financial Specialist in Collaborative Law

Presented By

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What Services Does a Family Law Accountant Perform?

- Educates the parties and their attorneys
- Adjusts for power and information imbalance
- Models respectful communication, integrity and objectivity
- Assists in keeping the process moving toward settlement

What Services Does a Forensic Accountant Perform?

- Assists with the completion of Income and Expense Declarations and Schedule of Assets and Debts.
- Recommends alternative solutions for property division
- Adjusts for unreported or underreported income
- Explains fringe benefits and perquisites
- Advises parties regarding tax ramifications of decisions
- Apportions community interests in separate property assets and separate interests in community property assets (Moore/Marsden and FC §2640)
- Calculates gross cash flow (income) available for support
- Values businesses and professional practices

What Services Does a Forensic Accountant Perform? (cont.)

- Prepares marital standard of living and support need analyses
- Prepares apportionment and valuation of defined benefit pension plans
- Prepares apportionment of defined contribution plans
- Apportions separate and community business interests i.e. Pereira and Van Camp analyses
- Performs analyses of reimbursements
- Prepares tracing schedules
- Customizes services

What does a financial planner do?

- Designs budgets
- Considers asset allocations
- Recommends investments
- Plans for college and retirement
- Assists with refinancing and credit cards
- Prepares clients for the future

Case Study #1

- Based upon actual collaborative case
- Names and numbers changed to protect the clients' confidential information
- Demonstrates the necessity of the mental health professionals (Coaches)
- Assignments included FC§ 2640 calculation, Known Asset/Debt and Alternative Divisions and MSOL/Support

FAMILY CODE §2640

Marriage of Smith

Case No. ND XXX XXX

Victoria Smith
 Separate/Community Property Interests in
 25000 Anderson Place, Long Beach, CA
With Title Change

| | Victoria's Separate Interest | Community Interest | Total Interest |
|--|------------------------------------|-----------------------|-------------------|
| 1. Allocated Cost: | | | |
| + Down Payment | \$ 40,000 | \$ - | \$ 40,000 |
| + Loan on Property Prior to Marriage | 160,000 | - | 160,000 |
| + Principal Reduction During Marriage | (26,906) | 26,906 | - |
| Total Allocated Cost | 173,094 | 26,906 | 200,000 |
| 2. Allocation Percentage | 86.55% | 13.45% | 100.00% |
| 3. Allocated Appreciation: | | | |
| + Appreciation Prior to Marriage | 70,000 | - | 70,000 |
| + Appreciation During Marriage | 25,964 | 54,036 | 80,000 |
| Total Allocated Appreciation | 95,964 | 54,036 | 150,000 |
| 4. Less: | | | |
| Separate Property Mortgage | (124,798) | - | (124,798) |
| Reimbursement to C/P - Payoff S/P Debt | - | 124,798 | 124,798 |
| Community Property Mortgage | - | (81,660) | (81,660) |
| Sub-total | (124,798) | 43,138 | (81,660) |
| 5. Allocation of Current Equity | \$ 144,260 | \$ 124,080 | \$ 268,340 |
| 6. Percentage Interest | 53.76% | 46.24% | 100.00% |

KNOWN ASSETS/LIABILITIES AND PROPOSED DIVISION

In Re Marriage of Smith

Case No. ND XXXX XXX

DRAFT - FOR SETTLEMENT PURPOSES ONLY
JOHN AND VICTORIA SMITH
COMMUNITY/SEPARATE PROPERTY KNOWN ASSETS/LIABILITIES
AND PROPOSED DIVISION

| DESCRIPTION | Value Date | SEPARATE PROPERTY | | COMMUNITY PROPERTY | | |
|---|---------------|-------------------|-------------------|--------------------|-------------------|--------------------|
| | | John - R | Victoria - P | VALUE | DISTRIBUTION | |
| | | | | | John - R | Victoria - P |
| I. Bank Accounts: | | | | | | |
| A. B of A Checking Account | 12/31/02 | - | - | 1,500 | 750 | 750 |
| B. B of A Money Market | 12/31/02 | - | - | 18,631 | 9,316 | 9,316 |
| C. Hawthorne Savings Bank - Rental Property Account | 12/31/02 | - | - | 10,623 | 5,312 | 5,312 |
| D. Money Market Account | 12/31/02 | - | - | 30 | 15 | 15 |
| E. B of A Checking Account | 12/31/02 | - | - | 3,836 | 1,918 | 1,918 |
| Total Bank Accounts | | - | - | 34,620 | 17,310 | 17,310 |
| II. Brokerage Accounts: | | | | | | |
| F. Charles Schwab | 12/31/02 | 18,000 | - | 108,968 | 108,968 | - |
| G. Section 529 College Savings Plan - \$26,000 | 12/31/02 | - | - | - | - | - |
| Total Brokerage Accounts | | 18,000 | - | 108,968 | 108,968 | - |
| III. Retirement Accounts: | | | | | | |
| H. IRA - INO John Smith | 12/31/02 | - | - | 15,000 | 15,000 | - |
| I. IRA - INO John Smith | 12/31/02 | - | - | 240,000 | 240,000 | - |
| J. Variable Annuity | 12/31/02 | - | - | 26,000 | 26,000 | - |
| Less: Deferred taxes at 35% estimated combined rate | 12/31/02 | - | - | (98,350) | (98,350) | - |
| Total Retirement Accounts | | - | - | 182,650 | 182,650 | - |
| IV. Other Assets: | | | | | | |
| K. 25000 Anderson Place, Long Beach, CA | 12/31/02 | - | 144,260 | 205,740 | - | 205,740 |
| Less: Mortgage | 12/31/02 | - | - | (81,660) | - | (81,660) |
| K-1. 24261 Pacific Avenue, Long Beach, CA | 12/31/02 | - | - | 314,833 | - | 314,833 |
| Less: Mortgage | 12/31/02 | - | - | (60,000) | - | (60,000) |
| L. Rental Property | 12/31/02 | - | - | 195,000 | 195,000 | - |
| Less: Mortgage | 12/31/02 | - | - | (163,000) | (163,000) | - |
| Deferred Tax Liability | 12/31/02 | - | - | (8,048) | (8,048) | - |
| M. Timeshare | 12/31/02 | - | - | D-I-K | D-I-K | D-I-K |
| N. Life Insurance - CSV - John Smith | 12/31/02 | - | - | 135 | 135 | - |
| O. Life Insurance - CSV - John Smith | 12/31/02 | 17,000 | - | - | - | - |
| P. Life Insurance - CSV - John Smith | 12/31/02 | 24,000 | - | - | - | - |
| Q. Life Insurance - CSV - Victoria Smith | 12/31/02 | - | - | 820 | - | 820 |
| R. Furniture, Fixtures, Personal Property | 12/31/02 | - | - | D-I-K | D-I-K | D-I-K |
| S. 1997 Lexus | 12/31/02 | - | - | 13,000 | 13,000 | - |
| T. 1999 Suburban | 12/31/02 | - | - | 15,400 | - | 15,400 |
| U. Frequent Flyer Miles | 12/31/02 | - | - | D-I-K | D-I-K | D-I-K |
| V. Wine Collection | 12/31/02 | - | - | D-I-K | D-I-K | D-I-K |
| Total Other Assets | | 41,000 | 144,260 | 432,220 | 37,087 | 395,133 |
| V. Other Liabilities: | | | | | | |
| W. None Known | 12/31/02 | - | - | - | - | - |
| Total Other Liabilities | | - | - | - | - | - |
| Sub-Total | | \$ 59,000 | \$ 144,260 | \$ 758,458 | \$ 346,015 | \$ 412,443 |
| Equalization Payment | | | | | \$ 33,214 | \$ (33,214) |
| Total | | | | | \$ 379,229 | \$ 379,229 |