



# 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<br>Separate<br>Interest | Community<br>Interest | Total<br>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<br>Date | SEPARATE PROPERTY |                   | COMMUNITY PROPERTY |                   |                    |
|-----------------------------------------------------|---------------|-------------------|-------------------|--------------------|-------------------|--------------------|
|                                                     |               | John - R          | Victoria - P      | VALUE              | DISTRIBUTION      |                    |
|                                                     |               |                   |                   |                    | John - R          | Victoria - P       |
| <b>I. Bank Accounts:</b>                            |               |                   |                   |                    |                   |                    |
| 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              |
| <b>Total Bank Accounts</b>                          |               | -                 | -                 | <b>34,620</b>      | <b>17,310</b>     | <b>17,310</b>      |
| <b>II. Brokerage Accounts:</b>                      |               |                   |                   |                    |                   |                    |
| F. Charles Schwab                                   | 12/31/02      | 18,000            | -                 | 108,968            | 108,968           | -                  |
| G. Section 529 College Savings Plan - \$26,000      | 12/31/02      | -                 | -                 | -                  | -                 | -                  |
| <b>Total Brokerage Accounts</b>                     |               | <b>18,000</b>     | -                 | <b>108,968</b>     | <b>108,968</b>    | -                  |
| <b>III. Retirement Accounts:</b>                    |               |                   |                   |                    |                   |                    |
| 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)          | -                  |
| <b>Total Retirement Accounts</b>                    |               | -                 | -                 | <b>182,650</b>     | <b>182,650</b>    | -                  |
| <b>IV. Other Assets:</b>                            |               |                   |                   |                    |                   |                    |
| 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              |
| <b>Total Other Assets</b>                           |               | <b>41,000</b>     | <b>144,260</b>    | <b>432,220</b>     | <b>37,087</b>     | <b>395,133</b>     |
| <b>V. Other Liabilities:</b>                        |               |                   |                   |                    |                   |                    |
| W. None Known                                       | 12/31/02      | -                 | -                 | -                  | -                 | -                  |
| <b>Total Other Liabilities</b>                      |               | -                 | -                 | -                  | -                 | -                  |
| <b>Sub-Total</b>                                    |               | <b>\$ 59,000</b>  | <b>\$ 144,260</b> | <b>\$ 758,458</b>  | <b>\$ 346,015</b> | <b>\$ 412,443</b>  |
| <b>Equalization Payment</b>                         |               |                   |                   |                    | <b>\$ 33,214</b>  | <b>\$ (33,214)</b> |
| <b>Total</b>                                        |               |                   |                   |                    | <b>\$ 379,229</b> | <b>\$ 379,229</b>  |