



DIVORCE
FINANCIAL PLANNER
Training Center

SEPARATE PROPERTY TRACING

Separate Property Tracing

In most states, even if commingled, if you can show a clear tracing, the courts will recognize the separate property

Marital Portion of a 401(k)

Marital Portion of a home

Inheritance

Gifts

Obtain

- Obtain a good understanding of the asset(s) to be traced.

Create

- Create timelines relating to each asset/bank account.

Create

- Create a “Key Documents” binder where you place important documents-refer to them on your timeline. (or electronic)

Make

- Make a list of bank accounts/assets owned at various points in time.

General Tracing

Create

Create a detailed spreadsheet of the transactions during the time period in question. This could be very time consuming and can require a lot of data entry. Tracings can be very staff-intensive.

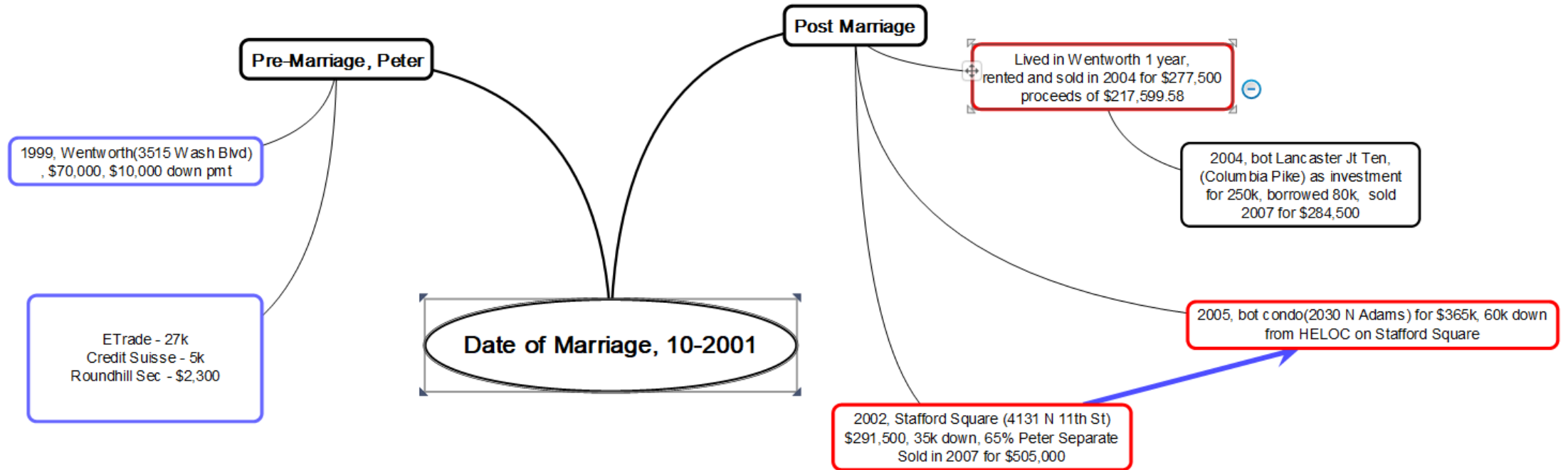


Excel

Fancy computer programs are not necessary; Excel is powerful enough. Incorporation of macros into a template is helpful.

Steps to Follow

Commingled Tracing



01

Participated in
plan prior to
marriage

02

Continued to
Contributed during
marriage

03

Growth on balance
at marriage is also
separate property
(in most states)

04

Process:

- Annual statements
- Spreadsheet to apportion out gains
- Final report

Marital Portion of 401(k)

Analysis of Separate vs. Marital Portion of XYZ 401(k) for Client
Loan Considered Marital
 July 3, 2017

Period Ended	Total Account Activity									Separate Property							Marital Property						
	Total Beginning Balance	Total Additions (Contributions)	Total Deductions (Fees)	Total Loans, Loan Fees & Repayments	Loan Interest Portion	Loan Balance	Total Growth (\$ Mkt Value Change)	Total Growth (% Mkt Value Change)	Total Account Ending Balance	Separate Beginning Balance	Separate Additions (Contributions)	Separate Deductions (Fees)	Separate Loans & Repayments	Separate Portion (% of Total)	Separate Growth	Separate Ending Balance	Marital Beginning Balance	Marital Additions (Contributions)	Marital Deductions (Fees)	Marital Loans & Repayments	Marital Portion (% of Total)	Marital Growth	Marital Ending Balance
4/30/2010								\$266,618.07							\$266,618.07								
5/31/2010	\$266,618.07	\$0.00	-\$25.00	\$0.00	\$0.00	\$0.00	-\$7,598.30	-2.9%	\$258,994.77	\$266,618.07	\$0.00	-\$25.00	\$0.00	100.0%	-\$7,598.30	\$258,994.77	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
6/30/2010	\$258,994.77	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$3,421.14	-1.3%	\$255,573.63	\$258,994.77	\$0.00	\$0.00	\$0.00	100.0%	-\$3,421.14	\$255,573.63	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
7/31/2010	\$255,573.63	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,261.50	2.4%	\$261,835.13	\$255,573.63	\$0.00	\$0.00	\$0.00	100.0%	\$6,261.50	\$261,835.13	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
8/30/2010	\$261,835.13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$3,583.54	-1.4%	\$258,251.59	\$261,835.13	\$0.00	\$0.00	\$0.00	100.0%	-\$3,583.54	\$258,251.59	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
9/30/2010	\$258,251.59	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,335.76	3.2%	\$266,587.35	\$258,251.59	\$0.00	\$0.00	\$0.00	100.0%	\$8,335.76	\$266,587.35	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
10/31/2010	\$266,587.35	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,801.61	1.4%	\$270,388.96	\$266,587.35	\$0.00	\$0.00	\$0.00	100.0%	\$3,801.61	\$270,388.96	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
11/30/2010	\$270,388.96	\$0.00	-\$25.00	\$0.00	\$0.00	\$0.00	-\$419.93	-0.2%	\$269,944.03	\$270,388.96	\$0.00	-\$25.00	\$0.00	100.0%	-\$419.93	\$269,944.03	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
12/31/2010	\$269,944.03	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,296.05	2.3%	\$276,240.08	\$269,944.03	\$0.00	\$0.00	\$0.00	100.0%	\$6,296.05	\$276,240.08	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
1/31/2011	\$276,240.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,624.95	0.6%	\$277,865.03	\$276,240.08	\$0.00	\$0.00	\$0.00	100.0%	\$1,624.95	\$277,865.03	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
2/28/2011	\$277,865.03	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,437.29	1.2%	\$281,302.32	\$277,865.03	\$0.00	\$0.00	\$0.00	100.0%	\$3,437.29	\$281,302.32	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
3/31/2011	\$281,302.32	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$102.28	0.0%	\$281,200.04	\$281,302.32	\$0.00	\$0.00	\$0.00	100.0%	-\$102.28	\$281,200.04	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00
4/30/2011*	\$281,200.04	\$25,027.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,514.97	1.5%	\$310,742.01	\$281,200.04	\$8,708.02	\$0.00	\$0.00	90.5%	\$4,085.74	\$293,993.80	\$0.00	\$16,318.98	\$0.00	\$0.00	9.5%	\$429.23	\$16,748.21
5/31/2011	\$310,742.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$1,888.78	-0.6%	\$308,853.23	\$310,742.01	\$0.00	\$0.00	\$0.00	95.2%	-\$1,797.91	\$299,195.89	\$16,748.21	\$0.00	\$0.00	4.8%	-\$90.87	\$16,657.34	
6/30/2011	\$308,853.23	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$2,199.62	-0.7%	\$306,653.61	\$308,853.23	\$0.00	\$0.00	\$0.00	95.3%	-\$2,095.92	\$299,099.98	\$16,657.34	\$0.00	\$0.00	4.7%	-\$103.70	\$16,553.63	
7/31/2011	\$306,653.61	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$1,016.97	-0.3%	\$305,636.64	\$306,653.61	\$0.00	\$0.00	\$0.00	94.9%	-\$965.27	\$289,134.70	\$16,553.63	\$0.00	\$0.00	5.1%	-\$51.70	\$16,501.94	
8/31/2011	\$305,636.64	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$6,418.64	-2.1%	\$299,218.00	\$305,636.64	\$0.00	\$0.00	\$0.00	96.6%	-\$6,202.34	\$282,932.36	\$16,501.94	\$0.00	\$0.00	3.4%	-\$216.30	\$16,285.64	
9/30/2011	\$299,218.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$8,723.61	-2.9%	\$290,494.39	\$299,218.00	\$0.00	\$0.00	\$0.00	97.4%	-\$8,496.52	\$274,435.84	\$16,285.64	\$0.00	\$0.00	2.6%	-\$227.09	\$16,058.55	
10/31/2011	\$290,494.39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,278.26	3.2%	\$299,772.65	\$290,494.39	\$0.00	\$0.00	\$0.00	91.5%	\$8,494.06	\$282,929.90	\$16,058.55	\$0.00	\$0.00	8.5%	\$784.20	\$16,842.75	
11/30/2011	\$299,772.65	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$1,318.60	-0.4%	\$298,454.05	\$299,772.65	\$0.00	\$0.00	\$0.00	94.8%	-\$1,250.01	\$281,679.89	\$16,842.75	\$0.00	\$0.00	5.2%	-\$68.59	\$16,774.16	
12/31/2011	\$298,454.05	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$28.57	0.0%	\$298,425.48	\$298,454.05	\$0.00	\$0.00	\$0.00	94.4%	-\$26.97	\$281,652.93	\$16,774.16	\$0.00	\$0.00	5.6%	-\$1.60	\$16,772.55	
1/31/2012	\$298,425.48	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,959.21	1.7%	\$303,384.69	\$298,425.48	\$0.00	\$0.00	\$0.00	92.8%	\$4,603.98	\$286,256.90	\$16,772.55	\$0.00	\$0.00	7.2%	\$355.23	\$17,127.79	
2/29/2012	\$303,384.69	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,111.57	1.7%	\$308,496.26	\$303,384.69	\$0.00	\$0.00	\$0.00	92.8%	\$4,743.08	\$290,999.98	\$17,127.79	\$0.00	\$0.00	7.2%	\$368.49	\$17,496.28	
3/31/2012	\$308,496.26	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,394.33	2.7%	\$316,890.59	\$308,496.26	\$0.00	\$0.00	\$0.00	91.8%	\$7,708.50	\$298,708.48	\$17,496.28	\$0.00	\$0.00	8.2%	\$685.83	\$18,182.11	
4/30/2012	\$316,890.59	\$25,027.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$3,198.24	-0.9%	\$338,719.35	\$316,890.59	\$0.00	\$0.00	\$0.00	88.2%	-\$2,820.45	\$295,888.03	\$18,182.11	\$25,027.00	\$0.00	11.8%	-\$377.79	\$42,831.32	
5/31/2012	\$338,719.35	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$18,136.62	-5.4%	\$320,582.73	\$338,719.35	\$0.00	\$0.00	\$0.00	92.3%	-\$16,739.54	\$279,148.48	\$42,831.32	\$0.00	\$0.00	7.7%	-\$1,397.08	\$41,434.25	
6/30/2012	\$320,582.73	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,892.40	2.8%	\$329,475.13	\$320,582.73	\$0.00	\$0.00	\$0.00	84.7%	\$7,534.10	\$286,682.59	\$41,434.25	\$0.00	\$0.00	15.3%	\$1,358.30	\$42,792.54	
7/31/2012	\$329,475.13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,506.71	1.7%	\$334,981.84	\$329,475.13	\$0.00	\$0.00	\$0.00	85.6%	\$4,712.73	\$291,395.31	\$42,792.54	\$0.00	\$0.00	14.4%	\$793.98	\$43,586.53	

Marital Portion of a 401(k)

Marital Portion of a Home

The Brandenburg Formula

Nonmarital Contribution (nmc):

Equity in the property at the time of marriage: \$ _____
 Amount of money spent after marriage, by either spouse, from
 traceable nonmarital funds in the reduction of mortgage principal: + \$ _____
 Value of improvements made to
 the property from such nonmarital funds: + \$ _____

Nonmarital Contribution (nmc) = \$ _____

Marital Contribution (mc):

Amount of money spent after marriage from other than
 nonmarital funds in the reduction of mortgage principal: + \$ _____
 Value of improvements made to the property after
 the marriage from other than nonmarital funds: + \$ _____

Marital Contribution (mc) : = \$ _____

Equity (e):

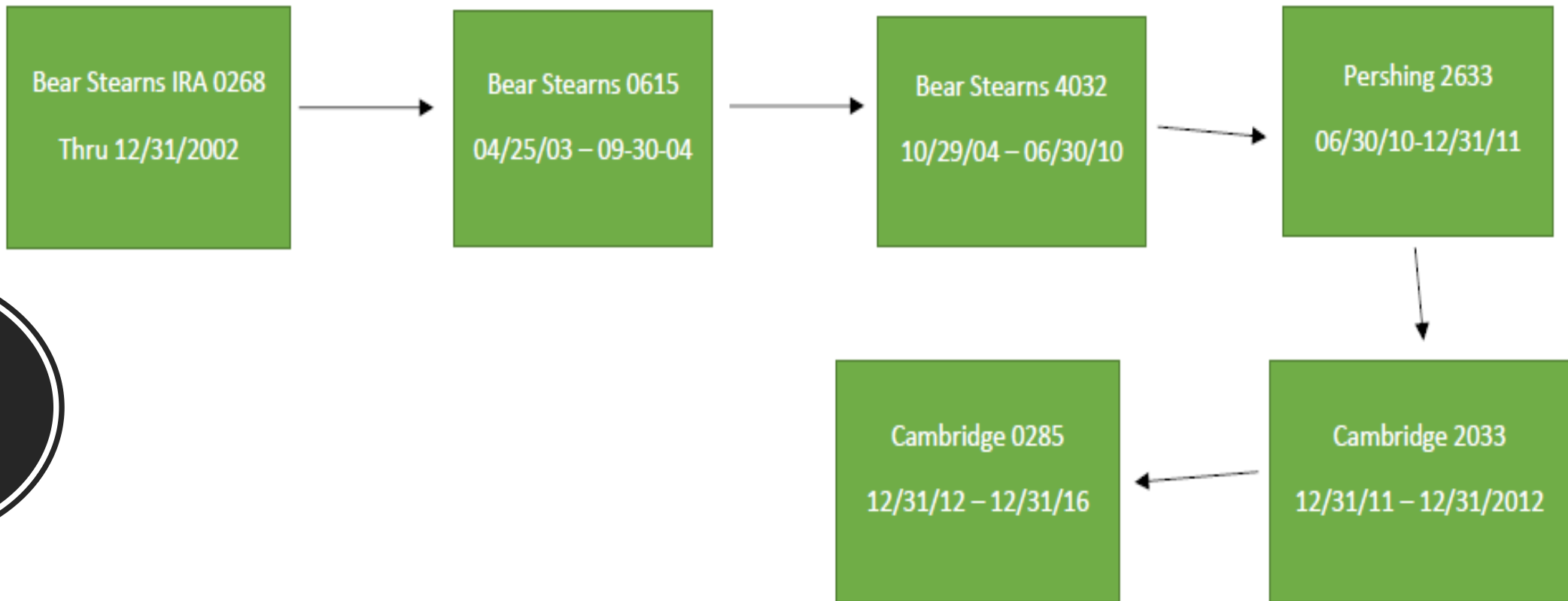
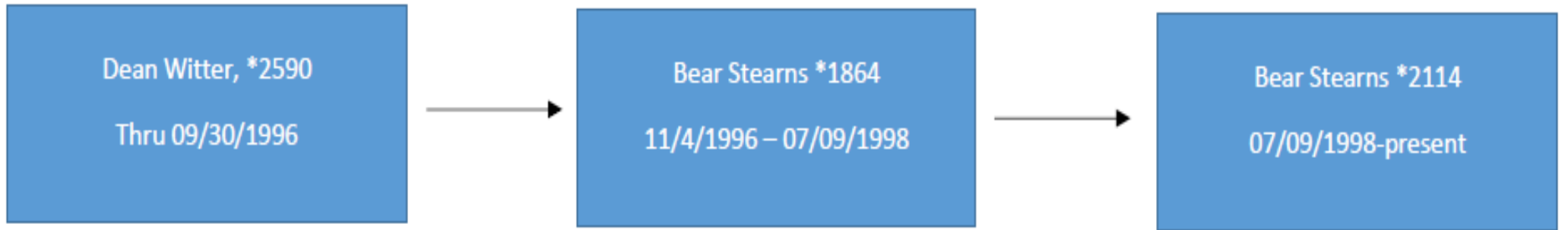
The equity in the property at the time of distribution (either
 at the date of the decree of dissolution or, if the property has
 been sold prior thereto and the proceeds may be traced, the date
 of the sale): \$ _____

Total Contribution (tc): _____ = nmc _____ + mc _____

$\frac{nmc}{tc} \times e$ _____ = _____ nonmarital property

$\frac{mc}{tc} \times e$ _____ = _____ marital property

*It is the value that improvements add to the property,
 not their cost, which is the proper consideration.*



Commingled
Tracing

	12/31/1997	\$316,398.00	\$2,000.00	-\$35,953.00	-11.3%	\$284,445.00
	12/31/1998	\$284,445.00	\$2,000.00	\$181,107.00	63.2%	\$467,552.00
	12/31/1999	\$467,552.00	\$2,000.00	\$774,579.00	165.0%	\$1,244,131.00
	12/29/2000	\$1,244,131.00		-\$294,520.00	-23.7%	\$949,611.00
	12/31/2001	\$949,611.00		-\$519,104.00	-54.7%	\$430,507.00
	12/31/2002	\$430,507.00		-\$210,535.00	-48.9%	\$219,972.00
Conv to 0615	4/25/2003	\$219,972.00		\$26,800.00	12.2%	\$246,772.00
	12/31/2003	\$246,772.00		\$128,336.00	52.0%	\$375,108.00
	9/30/2004	\$375,108.00		-\$89,694.00	-23.9%	\$285,414.00
Acct Conv to 4032	10/29/2004	\$285,414.00			0.0%	\$285,414.00
	12/31/2004	\$285,414.00		\$223,233.00	78.2%	\$508,647.00
	12/30/2005	\$508,647.00	\$3,405.63	-\$97,044.63	-19.0%	\$415,008.00
	12/29/2006	\$415,008.00		\$26,485.00	6.4%	\$441,493.00
	12/29/2007	\$441,493.00		-\$3,071.00	-0.7%	\$438,422.00
	12/31/2008	\$438,422.00		-\$261,032.00	-59.5%	\$177,390.00
	12/31/2009	\$177,390.00		\$78,909.00	44.5%	\$256,299.00
Rolled to Pershing 2633	6/30/2010	\$0.00	\$256,299.00	\$23,512.00	9.2%	\$279,811.00
Became Cabridge 2033	12/31/2011	\$279,811.00		-\$41,498.00	-14.8%	\$238,313.00
Rolled to Cambridge 0285	1/31/2012	\$238,313.00	-\$32,629.30	\$144.32	0.1%	\$205,828.02
Cambridge 0285	12/31/2012	\$205,828.02	\$20,642.48	\$12,160.13	5.4%	\$238,630.63
	12/31/2013	\$238,630.63		\$67,266.37	28.2%	\$305,897.00
	12/31/2014	\$305,897.00	\$10.81	\$18,264.19	6.0%	\$324,172.00
	12/31/2015	\$324,172.00		-\$34,931.00	-10.8%	\$289,241.00
	12/31/2016	\$289,241.00		\$39,088.00	13.5%	\$328,329.00

Summary Declaration

IN RE [REDACTED]

I, Nancy Hetrick, declare that I am a CDFA, Certified Divorce Financial Analyst, a MAFI Master Analyst in Financial Forensics, an AWMA, Accredited Wealth Management Specialist and an AAMS Accredited Asset Management Specialist. My 19 years' experience in the financial services industry is both broad and deep including employment as a Senior Financial Advisor for Better Money Decisions creating investment and liquidity strategies for high net worth clients. For the last 5 years, I have been providing specialized financial analysis and advice to divorcing individuals, their attorneys and/or mediators as they structure settlements. I have also testified in other marital dissolution trials in Arizona as a fact-based witness.

At the request of [REDACTED] I have reviewed account statements for [REDACTED] retirement accounts from July of 1996 to December 2016 to calculate the separate property portion of said accounts.

DOCUMENTS REVIEWED

1. Bear Stearns IRA statements for IRA accounts ending 0268, July, Aug, Sept and Dec, 1996; December 1997, 1998, 1999, 2000, 2001, 2002
2. Bear Stearns IRA Statements for account ending 0615 for April and Dec., 2003 September, 2004
3. Bear Stearns IRA Statements for account ending in 4032 for October 2004, December 2004, 2005, 2006, 2007, 2008, 2009.
4. Pershing IRA statements for account ending 2633 for June 2010
5. Cambridge IRA Statement for account ending 2033, December 2011
6. Cambridge IRA Statement for account ending 0285, January 2012, December 2012 2013, 2014, 2015 and 2016

DISCUSSION

At the time of marriage, [REDACTED] had an IRA with Bear Stearns valued at \$228,702. Due to several employment changes from 2003-2012, the account changed hands several times. During the marriage, contributions of \$11,023 were made and acknowledged to be marital property.

I completed a tracing allocating annual growth to the separate portion as well as the marital portion to determine the separate property amount as of December 31, 2016.

How to process data

- Old school is Quickbooks entry
- www.PerfectAudit.com



The screenshot shows a web browser displaying the PerfectAudit interface. The main content is a table titled "Transaction Analysis" with columns for #, Account, Date, Description, Debit, Credit, and Explanation. The table contains 8 rows of transaction data. The 7th row is highlighted in yellow.

#	Account	Date	Description	Debit	Credit	Explanation
1	000000151261370 CHASE CHECKING	01/05/2015	1370 Transfer from Account No. 0873		3,000.00	Transfer
2	000000151261370 CHASE CHECKING	01/05/2015	1370 Transfer from Account No. 0873		500.00	Transfer
3	000000151261370 CHASE CHECKING	01/12/2015	Deposit		3,608.64	
4	000000151261370 CHASE CHECKING	01/20/2015	1370 Transfer from Account No. 0873		2,000.00	Transfer
5	000000151261370 CHASE CHECKING	01/22/2015	Deposit		5,039.26	
6	000000151261370 CHASE CHECKING	02/02/2015	Deposit		3,608.63	
7	000000151261370 CHASE CHECKING	02/10/2015	Deposit		4,531.47	
8	000000151261370 CHASE CHECKING	02/17/2015	Deposit		2,405.81	

Certifications Available

- MAFF® - Master Analyst in Financial Forensics with a Matrimonial Specialty
 - Offered through NACVA, National Association of Certified Valuators and Analysts
 - CDFA is prerequisite
 - Experience of at least 20 cases or 2500 hrs
 - Cost ~\$1200
 - Annual dues \$495

Other Certifications

- CFF – Certified in Financial Forensics
 - Through AICPA
 - MUST BE A CPA!!
 - Exam is \$300 for members, \$500 non
 - <http://www.aicpa.org/Membership/Join/Pages/cff-exam.aspx>
 - Self-study \$479/599
 - Live trainings occasionally available.
 - Four month study plan



QUESTIONS

Contact Information

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