

Property Issues and How to Show Them on a Spreadsheet

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1. **Sample Property Division Spreadsheets From Various Firms Are Attached to This Paper.**
2. **Why Use Excel for the Property Division Spreadsheet?**

Microsoft Excel is the best program to use for creating property division spreadsheets because:

- Almost everyone has the program and so it is easy to share with clients, mediators and opposing counsel.
- Excel is more flexible than using ProDoc.
- Training is easy to find and there are many books and Internet sites designed to help with Excel.

Compatibility Between Excel 2010, 2007 and 2003.

From Microsoft:

After you have installed Microsoft Excel 2010, you may want to know how you can continue to work with workbooks that are created in an earlier version of Excel, how you can keep these workbooks accessible for users who do not have the current version of Excel installed, and how the differences between the versions affect the way that you work.

For backward compatibility with earlier versions of Excel, such as Excel 97-2003 or Excel 2007, you can use one of several ways to exchange workbooks between the different versions.

- 1. Work in Compatibility Mode You can open a workbook that was created in an earlier version of Excel and work in Compatibility Mode so that the workbook remains in a file format that can easily be opened again in the earlier version. Compatibility mode is not available for Excel 2007 workbooks.*
- 2. Download file converters You can use file converters that you can download to open an Excel 2010 workbook in an earlier version of Excel.*
- 3. Check a workbook for compatibility If you want to work in the current file format but have to share a workbook with people who use earlier versions of Excel, you can check that the data is compatible with earlier versions of Excel. You can then make the necessary changes to avoid the loss of data or fidelity that might occur when that workbook is opened in an earlier version of Excel.*

Another compatibility fix: use Google Docs: Any user of any version of Excel can open someone else's spreadsheet in Google Docs, which will convert Excel 2003, 2007 or 2010.

3. Goals for Creating A Property Division Spreadsheet

The attorney or legal assistant creating a property division spreadsheet should follow these principles:

- Be accurate, complete and reasonable. You will lose your audience (the judge) if your spreadsheet has errors or crazy numbers you cannot justify. The spreadsheet is a vital part of the divorce attorney's advocacy. The values and proposed division should be skewed in favor of your client but the amounts must be reasonable and accurate.
- Strive for a spreadsheet that fits on one or at most two pages and which is graphically easy to use and understand. Avoid too many lines and empty rows and make sure your column headings repeat on all pages.
- Summarize everything on the first page or two pages and attach detailed lists of:
 1. Separate property
 2. Children's property
 3. Personal property that should be returned or turned over

4. Property Division Spreadsheet Tips

1. Note which spouse is in possession of the item or has his or her name on the account.
2. Line numbers make it easy to refer to a particular asset or debt during testimony or argument.
3. Secured debts (mortgages, home equity loans, car notes) need to be shown on a separate line so that you can update the amount owed and compare the number you are using to the opposition's figure. So, do not just show the net value of the house or car after subtracting the loan from the value.
4. For bank accounts, note what type of account it is ("checking"), and use the last 4 digits of the account number for each account. Be careful on credit union accounts, as they all typically end in the same last few digits to show savings or checking, so use something like "****2345 S75."

5. Specific Property Division Issues

1. If the other side has not provided a balance or enough information to determine value, put "unknown" in the value column.
2. House value
 - A. Do NOT reduce the value by the cost of sale.
 - B. List the mortgage and home equity loan as separate lines.
 - C. If substantial repairs are needed to get the house in condition to sell, include a line for "Cost to repair house to sell" and list the total amount of repairs as a negative number.
 - D. If the house will be ordered sold, for value say "to be sold" and in each spouse's column put the percent he or she will get. For the mortgage or home equity loan, put "to be sold" in the value column.
3. 401k loans - list the current balance of the 401k account without the loan as the value then on the next line list the 401k loan and in the value column put "see note" and then in the column of the spouse who has the 401k account put "he pays" or "she pays." The note at the bottom of the spreadsheet should say, "A 401k loan is both an asset (a receivable) and a debt (that the employee owes himself) so the two

numbers cancel each other out, making the net effect zero. Currently \$32,410 is owed on the 401k loan.”

4. Reimbursement claims owed the community for something done for a spouse’s separate property - list the reimbursement claim as a community asset and then place the value of the claim in the column of the spouse whose separate property benefitted. Awarding the phantom asset to the spouse whose separate property benefitted will result in more real assets going to the other spouse.
5. Waste or monies that are not accounted for. If a spouse wasted funds on a paramour or cannot account for a large amount of cash, list that as an asset (“Funds wasted by Husband” or “Cash Unaccounted for”) and then award the asset to the spouse who wasted the money or cannot account for the cash. This will have the effect of giving more real assets to the other spouse.
6. Tax effects of the sale of community assets - I cannot imagine a circumstance where this should be shown on the property division spreadsheet. Do not look stupid and list the tax effects when you list the value of a 401k or IRA.
7. Pensions - Do not list the value for a defined benefit plan, unless it is a hybrid cash balance pension or a government plan like Texas County and District Retirement System that actually uses the employee’s account balance to determine the monthly payment upon retirement. Do not list the current contribution balance of the retirement plans, such as Teachers Retirement System, that keep track of the employee’s contribution balance but which do not base the monthly retirement amount on that balance since the plan will be worth far more than what the contribution balance shows.
8. Lump Sum or Monthly Payment Plans to Equalize Division - total everything at the bottom of the spreadsheet as usual then add a row below the total to list the lump sum payment or the total present value of the monthly payments as a positive number for the spouse who receives the payment and as a negative number for the spouse who pays and then do a second total line. The resulting percentages should compare the totals after the addition or subtraction of the payment to the total value of the community estate without the payments.

Asset or Debt	Value	Husband	Wife
House	\$ 175,000.00		\$ 175,000.00
Husband's 401k	\$ 125,000.00	\$ 125,000.00	
Wife's Business	\$ 150,000.00		\$ 150,000.00
Husband's Truck	\$ 22,000.00	\$ 22,000.00	
Wife's car	\$ 38,000.00		\$ 38,000.00
Wife's Mastercard	\$ (10,000.00)		\$ (10,000.00)
TOTAL	\$ 500,000.00	\$ 147,000.00	\$ 353,000.00
Monthly payments	\$ 103,000.00	\$ (103,000.00)	
TOTAL	\$ 250,000.00	\$ 250,000.00	
		50%	50%

9. Some items, such a term life insurance or the pet dog, have no real value but you want to show on the spreadsheet who gets the item. List the item and for value put “\$1.00” or “no value” and then in the column of the spouse who gets the item put “\$1.00” or “to husband.”
10. Contingent assets, such as a pending insurance claim, should be listed as an asset but the value

should either be “unknown” or an estimated amount should be used for the value.

What Does Not Go On a Spreadsheet

1. Do not list assets you cannot prove exist or which you know have been sold.
2. Do not list the cost of sale of the house.
3. Taxes on a tax deferred retirement plan like a 401k do not go on the spreadsheet.
4. Do not include items which by law or common sense cannot be divided in a divorce, such as a Medical School Degree, breast implants or Social Security.
5. List children’s property separately from community property.
6. Do not list attorneys fees incurred on the divorce unless they are a debt that is currently owed.
7. Bonuses to be received after divorce are separate property, so do not list “Annual Bonus” as an asset unless it has already been paid.