

Practical preparation guide

A plain-language walk-through for getting your finances organized before you sit down with a spouse, mediator or attorney. You don't need to do it all at once. Each step makes the next conversation shorter and calmer.

1 Start with a list, not a negotiation

Before anyone decides who gets what, write down everything you own and everything you owe. Leave the arguments for later. A complete list is the one thing both sides can usually agree on, and it's the foundation for everything else.

Use the Just Divvy spreadsheet or the printable worksheet, and the **often-missed checklist** to catch the items people forget.

2 Gather the paperwork

Collect recent copies of the following. Digital downloads are fine.

- Bank and credit card statements, last 12 months
- Tax returns, last 3 years
- Recent pay stubs for both spouses
- Retirement and pension statements
- Brokerage and investment statements
- Mortgage statement and property deed
- Vehicle titles and loan statements
- Student, personal and other loan statements
- Life insurance policies
- Your own credit report (free at annualcreditreport.com). Your spouse can pull theirs.

3 Put a value on everything

Estimates are fine to start. Pick one date, such as the end of last month, and use balances from that date so everything lines up.

Item	A reasonable starting estimate
Home and real estate	Recent sales of similar homes nearby. An appraisal is more reliable if the house is a major asset.
Vehicles	Private-party value from a pricing guide. List any loan separately as a debt.
Bank and investment accounts	Statement balance on your chosen date.
Retirement accounts	Statement balance, with a note that it's pre-tax (see below).
Furniture and belongings	What it would sell for used, not what it would cost to replace.
A business	Flag it. Business valuation usually needs a professional.

Not every dollar is equal. \$100,000 in a 401(k) is not the same as \$100,000 in a checking account, because taxes are owed when it's withdrawn. A house can bring selling costs. Make a note of these differences so they can be weighed fairly.

4 Note anything you believe is separate

Many places treat some property as belonging to one spouse only. Common examples are things owned before the marriage, gifts and inheritances. The rules vary a lot by state, so don't decide this yourself: check your state's rules with an attorney. Keep the item on your list, add a note explaining why it might be separate, and keep any records that show where it came from.

5 Try a first division

In the spreadsheet, choose who each item goes to. Most items go entirely to one person. Cash and some accounts can be split by percentage. The sheet adds up what each spouse would walk away with.

If one side ends up with more, the **equalization payment** shows the amount that would even things out. For example, if one spouse's share is worth \$500,600 and the other's is \$475,100, a payment of \$12,750 leaves both with \$487,850.

Try a few versions. Seeing the numbers side by side often shows which trade-offs matter to you.

6 Watch for the common traps

- **Keeping the house you can't afford.** Check whether the mortgage, taxes, insurance and upkeep fit one income.

- **Joint debts.** A divorce agreement doesn't change your contract with a lender. If a joint debt goes unpaid, the lender can still pursue either name on it.
- **Dividing retirement accounts.** Splitting a 401(k) or pension usually requires a court order (often called a QDRO). Ask about this early.
- **Cash to live on.** An agreement that's fair on paper can still leave one person with no accessible cash.

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Bring good questions to a professional

- Is our state a community property or equitable distribution state, and what does that mean for us?
- Which items on our list might be considered separate property?
- How should we account for taxes on retirement accounts and investments?
- What's the best way to handle the house and mortgage?
- How are debts in only one name treated?
- Do we need formal appraisals for anything on our list?

Arriving with an organized list and these questions tends to make meetings shorter, and professionals who bill by the hour cost less.

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