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**Abstract:** Divorce is a difficult process for everyone involved. That's why being clear and organized when it comes to finances can help facilitate the process. The first step is generally to compile a marital balance sheet. This brief article discusses this step and what it involves.

## Compiling a marital balance sheet in divorce

Divorce is difficult for everyone involved. You can ease the process somewhat by being organized. A financial expert can help you with the first step: compiling a marital balance sheet of assets you own and the liabilities you owe, as a couple.

Typical assets include the money in savings and checking accounts; vehicles and equipment; and your principal residence, vacation homes and other real property. IRAs, 401(k) accounts, pensions and other retirement savings, plus marketable securities should also be listed. In addition, itemize all jewelry, artwork, furniture, and other personal assets and private business interests.

Marital liabilities include credit card debt, student loans, home mortgages and lines of credit, vehicle loans, and retirement account loans. Whether you must include individual assets and liabilities in your marital estate is generally a matter of law, which varies by state.

Values must be assigned to the assets and liabilities cataloged. The value of bank accounts, retirement accounts and debts can be taken from the latest account statement. Other items, such as real estate, collectibles and private business interests, may require an independent outside appraisal.

If you own an interest in a closely held business, selling usually isn't an option. You'll need to consult a business valuation expert for a determination of its "fair value." Value not attributable to net tangible assets and identifiable intangible assets is considered "goodwill," the treatment of which varies by state.

Ultimately, it's critical to have a qualified financial expert determine what's includable in a marital estate based on the specific criteria.