



**GUIDE TO UNDERSTANDING
YOUR REQUIRED FINANCIAL DECLARATION**

Dear Client:

Utah law requires that the petitioner and respondent in a family law case submit a financial declaration to each other regarding their monthly income, monthly bills, assets and debts and that they provide documentation to support their declaration. Your financial declaration is one of the most important documents in your case because the court will use the declaration to make decisions regarding child support, alimony, and the division of assets and debts. It is also very important to make a complete and accurate financial declaration because the court may sanction you for failing to disclose income, assets, and debts, including awarding non-disclosed assets to the other party.

On the “**Forms & Links**” page of our website www.fairpricelawyers.com, you will find the court approved “**Financial Declaration Form**”. You can complete this form electronically through Docusign by following the link provided. We will automatically receive a copy when you’re finished. If you want to complete the form by hand and mail the required attachments to our office, please let us know and we will send you the form along with a prepaid USPS envelope to use.

1. Documents Needed to Complete Your Financial Declaration

Before you begin filling out your declaration, please gather the following documents. You must provide these documents to our office so we can attach them to your financial declaration. If you do not have one of the documents listed and it is not readily obtainable from your accountant or your employer’s human resources department, please list the document and the reason it is unavailable in Paragraph 2 of the financial declaration form.

- Your complete **federal and state income tax returns** for the past two years. This includes business tax returns if you own a business. If you haven’t filed your taxes for a particular year yet, please provide you W2(s) or 1099 form(s) for that year.
- A current pay stub showing your year-to-date income (if employed).
- All loan applications and financial statements prepared or used by you within the past 12 months, such as profit and loss statements.
- Any recent appraisals, tax valuation and/or refinance documents relating to real estate you own or other major assets.

2150 South 1300 East, Suite 500, Salt Lake City, Utah 84106
Phone: (435) 777-3304 | Fax: (702) 974-4322 | info@fairpricelawyers.com

- Statements for the past 3 months for all your financial accounts, including checking, savings, retirement, money market funds, certificates of deposit, brokerage, and investment accounts, regardless of whether the account has been closed.
- Life insurance policies.

IMPORTANT NOTE: YOU MUST REDACT, i.e. “white out” or “black out”, the following information from all of the documents listed above before you send them to our office:

1. **Social Security Numbers**
2. **Names and Birthdays of Minors**
3. **Bank Account Numbers, Except Last 4 Digits**
4. **Bank Account Routing Numbers**

We will be filing these documents with the court and, although access to these documents will be restricted by the court to persons and attorneys involved in the case, the law requires that this information be redacted from the documents before filing.

Now that you have gathered the documents necessary to complete your financial declaration, you can begin filling out the form.

2. Income Calculation (Paragraphs 3-6 of Financial Declaration)

When stating your gross monthly income, you must be as accurate as possible and provide a full accounting of the income you earn during an average month from all sources.

If your sole source of income is your employment, we recommend using your most recent tax return and/or the W-2 you received from your employer and dividing the gross monthly income listed in those documents by 12.

If your income has increased since last year due to a pay raise or because you are working more hours, then we recommend using your recent pay stubs to calculate your gross monthly income. Divide the year-to-date gross income listed on your paystub by the number of months between the beginning of the year and the period end date on the paystub to obtain an accurate gross monthly income. Do not round the number of months up or down, as this will provide an inaccurate monthly income. Instead, if for example the period end date is 10 weeks from the beginning of the year, then divide the year-to-date gross income by 2.5 months.

Next, calculate your monthly tax deductions. You can use your tax return or paycheck stubs to determine the federal income, state income, Social Security and Medicare taxes you pay during an average month. If you're self-employed, your accountant can help you determine the tax deductions to list in this section. Make sure you use the same system in calculating taxes that you used to calculate your gross monthly income.

3. Monthly Expenses (Paragraph 7 of Financial Declaration)

Take your time when listing your average monthly expenses. Resist the urge to rush through this section or to be conservative. Important matters such as alimony are partly determined based on these expenses.

In the “Current Amount” column of the monthly expenses table, list the monthly expenses that you currently have, regardless of whether you are able to pay them. If either party is requesting alimony, then list the parties’ average monthly expenses during the marriage in the “Marital Expenses” column. The expenses listed in these two columns may be different because the parties may have separated and moved into different residences with different expenses and other expenses previously incurred have been curtailed since divorce proceedings began.

To determine your average monthly expenses, look at what you have been spending overall during the last year on each particular expense and divide that amount by 12. Some monthly expenses are fixed and easy to calculate. You may pay \$2,075.00 each month for your mortgage, \$445.00 toward your automobile loan, \$35.67 for your internet access you get the idea. Other monthly expenses fluctuate month-to-month and are harder to calculate. Examples of these expenses are food, gasoline, clothing, electricity, gas, and water, sewer, garbage, etc. We recommend marking these amounts with an asterisk (*), and then, in at the bottom of Section 7, briefly explain the basis of your estimation. Look over your monthly expenses after you have listed them. Are they accurate? Have you left out any necessary expenses?

4. Business Interests (Paragraph 8 of Financial Declaration)

For most people, this section is not applicable. The instructions provided on the attached financial declaration form are fairly self-explanatory. If you have questions about this section, please call our office at (435) 777-3304 to speak with your attorney.

5. Financial Assets (Paragraph 9 of Financial Declaration)

This section asks you to provide a full accounting of your financial assets, such as cash, checking, savings, money market, brokerage, investment, and retirement accounts, including IRA and 401(k) accounts, bonds, annuities, and certificates of deposit, accounts receivable, and other debts owed to you. In some cases, you may need to separate your accounts, such as when you have a savings account with one account number, and a checking account with another. If you need additional space to list financial assets, please let us know. Make sure to include all your financial assets in your declaration.

6. Real Property (Paragraph 10 of Financial Declaration)

When you list the “current value” of your real property, you should have some basis for the value stated. We highly recommend having a professional real estate appraiser appraise any real property subject to division in your case. An appraisal can usually be

scheduled within 30 days and costs approximately \$500.00. Please contact our office if you would like a referral to an appraiser.

Please also call your mortgage company (if applicable) and obtain a statement verifying the amount owed on your real property. It should look something like: “\$176,928 as of 10/4/13”. We will need to disclose this information to the other party, regardless of whether the property is subject to division in your case.

7. Personal Property (Paragraph 11 of Financial Declaration)

List your “personal property” that has substantial value, e.g. vehicles, major electronics, firearms, furniture, tools and equipment, antiques, and valuable artwork. For vehicles, the Kelly Blue Book can provide a reliable estimate. Visit kbb.com to determine the value of the vehicle. When you list the “amount owed” for your vehicle, make sure you include the date. For example, it should look something like “\$3,335 as of 10/4/13.”

8. Monthly Expenses (Paragraph 11 of Financial Declaration)

Be very careful about how you draft your monthly expenses. Remember, this section is asking for an accounting of your average monthly expenses. Matters such as alimony are partly determined based on these expenses, so look at what you have been spending overall during the last year and what are your financial needs during an average month.

Some of the monthly expenses are fixed. You may pay \$2,075.00 each month for your mortgage, \$445.00 toward your automobile loan, \$35.67 for your internet access You get the idea. These are the easy expenses to calculate.

Some monthly expenses fluctuate month-to-month and are harder to calculate. Examples of these expenses are food, gasoline, clothing, electricity, gas, and water, sewer, garbage, etc. We recommend marking these items with an asterisk (*), and then, in Paragraph 12 of the financial declaration, briefly explain the basis of your estimation. Look over your monthly expenses after you have listed them. Are they accurate? Have you left out any necessary expenses?

9. Debts (Paragraph 12 of Financial Declaration)

Provide information about every debt you have, including the creditor, the purpose of the debt, the names on the debt, the amount owed, and the minimum monthly payment.

10. Deadline to Complete Your Financial Declaration

Please complete the enclosed financial declaration and return it to our office—with the required supporting documentation—via mail, email, or hand delivery. Please be aware that there is a **deadline** to submit this declaration to the other party. The petitioner must submit the declaration within **14 days** after the respondent files an answer to the petition; and the respondent must submit his/her declaration within **42 days** of answering.

Please also note, You must sign the last page of the your financial declaration form below the section stating “I declare”

If you need help completing your financial declaration, please feel free to call our office at (435) 777-3304 or e-mail us at info@fairpricelawyers.com.

Warm Regards,

Joshua R. Lucherini, Esq.
FAIR PRICE LAWYERS