CAPE FEAR FAMILY LAW | WILMINGTON & JACKSONVILLE, NC

The Separation Cash-Flow Survival Guide

Alimony negotiations get clearer the moment both households can see the actual monthly runway. This workbook builds that number before you walk into mediation.

> Seven worksheets. Income, fixed expenses, variable spending, debt, housing, insurance, and a one-page runway summary — plus the twelve pressure points that derail settlement talks.

START HERE

Why cash flow decides the negotiation

North Carolina has no alimony calculator. There is no formula a judge plugs numbers into. Instead, the court weighs a long list of statutory factors under N.C.G.S. § 50-16.3A — and two of them do most of the work in almost every case: the dependent spouse's reasonable monthly need, and the supporting spouse's ability to pay.

Both of those are cash-flow numbers. Not asset numbers. Not feelings. Monthly dollars in, monthly dollars out. The same is true of post-separation support under § 50-16.2A, which is often the first money question a separating couple actually has to answer.

The hard part is arithmetic nobody warns you about: one household is becoming two. The income usually does not grow. The fixed costs almost always duplicate — two rent payments, two power bills, two sets of renter's insurance, two internet accounts. Couples arrive at mediation arguing over a number that, once written down, turns out not to exist in either household.

Filling this out before mediation does three things. It tells you what you can actually live on. It shows you where the other household genuinely cannot stretch. And it stops you from paying an attorney by the hour to reconstruct your grocery spending from memory.

THE THREE NUMBERS EVERYTHING TURNS ON	
1	Net monthly income. What actually lands in the account after taxes and mandatory deductions — averaged, not cherry-picked from a good month.
2	Reasonable monthly need. What it costs to run your household after separation, at a standard of living the marriage actually established.
3	The monthly gap. Income minus need. Positive is surplus. Negative is the shortfall — and the shortfall is the conversation.

HOW TO USE THIS WORKBOOK

Work from documents, not memory. Pull twelve months of bank and card statements, six months of pay stubs, and the last three years of tax returns before you start. Fill in Worksheets 1 through 6 in order, then carry the totals to the Runway Summary on Worksheet 7. Do it in pencil — the first pass is almost never the accurate one. Bring the finished copy to your attorney or mediator.

WORKSHEET 1

Monthly income — both households

Enter gross monthly figures. Use a 12–24 month average for anything that varies. Complete both columns if you have the information; leave the spouse column blank where you honestly do not know.

Income source	You	Spouse
EARNED INCOME		
Base wages or salary		
Overtime (24-month average)		
Bonus / commission (12–24 month average)		
Self-employment net income or owner draws		
K-1 / partnership distributions		
Second job or side income		
OTHER INCOME		
Rental income (net of mortgage and expenses)		
Interest, dividends, capital gains		
Retirement, pension, or annuity payments		
Social Security / SSDI / VA benefits		
Trust distributions		
Child support received for other children		
Employer-paid perks (vehicle, phone, meals, housing)		
Other		
A. TOTAL GROSS MONTHLY INCOME		

Monthly deductions	You	Spouse
Federal and state withholding		
FICA / Medicare		
Health, dental, and vision premiums (payroll-deducted)		
HSA / FSA contributions		
Mandatory retirement contributions		
Voluntary 401(k) / 403(b) contributions		
Union dues, garnishments, or existing support orders		
B. TOTAL DEDUCTIONS		

C. NET MONTHLY INCOME (A − B)		

WHERE PEOPLE GET THIS WRONG

Voluntary retirement contributions are not the same as taxes — separate them, because they are discretionary and they will be scrutinized. If a spouse is self-employed, the personal tax return alone almost always understates the cash actually available; start with the business return and the business bank statements. And note every employer-paid perk. A company vehicle, a paid phone, or covered housing is real spending power even though it never appears on a pay stub.

WORKSHEET 2

Fixed monthly expenses

The Current column is what the shared household spends today. The Projected column is what your household will spend after separation. The gap between those two columns is the single most useful thing in this workbook.

Fixed expense	Current (shared)	Projected (yours)
HOUSING		
Rent or mortgage principal & interest		
Property taxes (if not escrowed)		
Homeowner’s or renter’s insurance		
HOA or condo dues		
Second mortgage / HELOC payment		
UTILITIES		
Electric		
Natural gas / propane / heating oil		
Water, sewer, trash		
Internet		
Mobile phones		
Cable / streaming services		
TRANSPORTATION		
Vehicle payment — 1		
Vehicle payment — 2		
Auto insurance		
Fuel		
Maintenance and repairs (annual ÷ 12)		
Registration, inspection, tolls (annual ÷ 12)		
CHILDREN		
Childcare or daycare		
Tuition and school fees		
Extracurriculars, sports, lessons		
School lunches and supplies		
D. TOTAL FIXED MONTHLY EXPENSES		

ESCROW TRAP

If your taxes and insurance are escrowed into the mortgage payment, do not enter them twice. Pull the most recent escrow analysis statement from your servicer and use the current payment breakdown — escrow amounts change annually and an outdated figure quietly distorts the whole worksheet.

WORKSHEET 3

Variable and discretionary spending

Build this from statements, not estimates. Pull the last 90 days of bank and credit card activity, sort every transaction into the categories below, total each category, and divide by three.

Variable expense	Current (shared)	Projected (yours)
HOUSEHOLD		
Groceries and household supplies		
Dining out, coffee, delivery		
Home maintenance and repairs		
Lawn care, pest control, cleaning		
Pet food, grooming, veterinary		
PERSONAL		
Clothing and shoes		
Haircuts and personal care		
Medical, dental, prescriptions (out of pocket)		
Therapy or counseling		
Gym or memberships		
LIFESTYLE		
Entertainment and hobbies		
Travel and vacation (annual ÷ 12)		
Gifts and holidays (annual ÷ 12)		
Subscriptions and apps		
Charitable giving		
PROFESSIONAL		
Legal fees		
Accounting and tax preparation		
Other		
E. TOTAL VARIABLE MONTHLY EXPENSES		

THE 90-DAY RULE

Three months of statements beats twelve months of guessing. Highlight anything over $200 that you cannot immediately explain — those transactions are where undisclosed accounts, undisclosed debt, and undisclosed spending tend to surface. Do the same exercise on the joint accounts, not just your own.

WORKSHEET 4

Debt schedule

List every obligation, including ones you believe are “theirs.” Pull a current credit report for both spouses before you finalize this page — it is the only reliable way to catch accounts you did not know existed.

Creditor	Last 4	Balance	Monthly pmt.	Rate	Name(s) on account	Marital / separate
F. TOTAL MONTHLY DEBT PAYMENTS						

JOINT DEBT DOES NOT READ YOUR SEPARATION AGREEMENT

A separation agreement allocates responsibility between the two of you. It does not release either of you from the contract with the lender. If both names are on the account and the other spouse stops paying, the creditor comes after you and the late payment lands on your credit report. Flag every joint account on this page and raise refinancing, closing, or removal as a specific term — not an afterthought.

WORKSHEET 5

Housing — the two-household reality check

This is where most separations break. Run the numbers for all three columns even if you are certain one spouse is keeping the house.

Monthly housing cost	Current shared home	Your household	Their household
Rent or mortgage payment			
Property taxes and insurance			
HOA dues			
Electric, gas, water, trash			
Internet and phone			
Maintenance reserve			
MONTHLY HOUSING SUBTOTAL			

ONE-TIME TRANSITION COSTS (THESE ARE REAL AND THEY ARE RARELY BUDGETED)

One-time cost	Estimated	Actual
Security deposit plus first and last month’s rent		
Movers, truck rental, storage unit		
Furniture, mattress, kitchen basics		
Appliances (washer, dryer, refrigerator)		
Utility connection deposits		
New renter’s or homeowner’s policy		
Vehicle title or registration changes		
Attorney retainer and court filing fees		
Mediator fee		
TOTAL ONE-TIME TRANSITION COST		

ASK THE QUESTION EARLY

Can either spouse qualify to refinance the mortgage alone, on that spouse’s income alone? Get a real answer from a lender before mediation, not a hopeful one. If the answer is no, the house is a sale conversation and every hour spent negotiating around that fact is an hour billed for nothing.

WORKSHEET 6

Insurance and benefits at risk

Coverage is the expense people forget until it disappears. Work through each line and write in the actual number — call HR and the carrier rather than estimating.

Policy or benefit	Monthly cost	Who carries it	Covers whom
Health insurance			
Dental and vision			
COBRA continuation quote			
Marketplace plan quote (alternative to COBRA)			
Life insurance — term			
Life insurance — whole / cash value			
Short- and long-term disability			
Auto insurance			
Homeowner's or renter's			
Umbrella policy			
G. TOTAL MONTHLY INSURANCE			

BENEFITS TO INVENTORY BEFORE YOU NEGOTIATE

- ☐ Current HSA and FSA balances — and the deadline to spend the FSA
- ☐ Accrued but unused PTO, and whether it pays out
- ☐ Restricted stock units and stock options: grant dates, vest dates, and how many are unvested
- ☐ Pension survivor benefit election and whether it can still be changed
- ☐ Employer retirement match and vesting schedule
- ☐ Flexible or dependent-care benefits tied to one spouse's employment
- ☐ Beneficiary designations on every retirement account and life policy
- ☐ Military, federal, or state benefits with their own division rules

HEALTH COVERAGE HAS A HARD STOP

A spouse covered under the other spouse's employer plan generally loses that coverage when the absolute divorce is entered — not at separation. That makes the divorce date a financial event, and it makes the COBRA quote a number you need in hand before you agree to anything. Get the figure in writing from the plan administrator.

WORKSHEET 7

The monthly runway summary

Carry your totals forward. Complete both columns — the comparison is the entire point.

Line	Your household	Their household
Net monthly income — Worksheet 1, line C		
Fixed monthly expenses — Worksheet 2, line D		
Variable monthly expenses — Worksheet 3, line E		
Monthly debt payments — Worksheet 4, line F		
Monthly insurance — Worksheet 6, line G		
TOTAL MONTHLY OUTFLOW (D + E + F + G)		

The runway	Your household	Their household
Monthly surplus or (shortfall) — income minus outflow		
Liquid savings actually available today		
Months of runway — savings ÷ monthly shortfall		

READING YOUR RESULT

Both households positive	The negotiation is about allocation, not survival. Expect the conversation to center on property division and the length of any support, rather than its existence.
One positive, one negative	That gap is the support conversation, stated in dollars. Bring both columns to mediation — a documented shortfall is far more persuasive than an asserted one.
Both negative	No support order fixes this. The case is a spending problem or an asset problem before it is a support problem, and the honest conversation is usually about the house, the vehicles, or the debt load.

THE PART NOBODY WARNS YOU ABOUT

Twelve pressure points that derail settlement

Every one of these has ended a mediation session that should have settled. Work through the list and mark the ones live in your case.

1	The house neither spouse can afford alone. Do this: Get a written refinance pre-qualification on one income before mediation.
2	Income that never appears on a pay stub. Do this: Cash, tips, owner draws, and employer-paid perks all count. Document them from bank deposits.
3	A bonus, commission, or RSU vest landing just after separation. Do this: Note the vest and payout dates now. Timing drives whether it is marital, and it changes the number.
4	Health insurance ending at absolute divorce. Do this: Get the COBRA or marketplace quote in writing before you agree to a support figure.
5	Joint credit lines left open. Do this: List every joint account and negotiate specific closure, refinance, or removal terms.
6	One spouse who has never seen the household finances. Do this: Complete Worksheets 1 through 4 from statements before the first negotiation, not after.
7	Retirement accounts treated as spendable cash. Do this: Price the taxes and penalties before counting a 401(k) balance as available money.
8	Tax filing status and dependency claims for the current year. Do this: Decide filing status and who claims the children as an explicit term, not an assumption.
9	The “temporary” arrangement that hardens into the status quo. Do this: Put a written end date on any interim payment or living arrangement.
10	Marital misconduct that changes the alimony analysis. Do this: Raise it privately with your attorney early. Under N.C.G.S. § 50-16.3A it can be dispositive.
11	Debt that surfaces mid-negotiation. Do this: Pull a full credit report for both spouses before mediation, not after a surprise.
12	A budget assembled from memory. Do this: Every figure in this workbook should trace to a statement, a stub, or a return.

BEFORE YOUR NEXT MEETING

The document pull list

Gather these before your consultation or mediation. Every hour your attorney spends chasing paperwork is an hour billed at attorney rates for clerical work.

INCOME AND TAX

- [ ] Federal and state tax returns — last three years, all schedules and attachments
- [ ] Business tax returns and K-1s — last three years, if either spouse owns an interest
- [ ] W-2s and 1099s — last three years
- [ ] Pay stubs — last six months, plus the most recent year-to-date stub
- [ ] Employment contract, bonus plan, or commission schedule

ACCOUNTS AND DEBT

- [ ] Bank statements — twelve months, every account, joint and individual
- [ ] Credit card statements — twelve months, every card
- [ ] Retirement and brokerage statements — most recent quarterly and year-end
- [ ] Mortgage statement plus the current escrow analysis
- [ ] Vehicle loan or lease statements and titles
- [ ] Credit report for both spouses

PROPERTY AND COVERAGE

- [ ] Deed, closing statement, and any recent appraisal or tax valuation
- [ ] Life insurance declarations pages and current cash values
- [ ] Health, auto, and homeowner’s policy declarations
- [ ] Employer benefits summary, including HSA, FSA, PTO, RSU, and pension detail
- [ ] Any prenuptial or postnuptial agreement

MAKE IT USABLE

Scan everything to PDF and name the files plainly — 2024-Tax-Return.pdf, BankOfAmerica-Checking-Jan-Dec.pdf. A well-organized file is the cheapest advantage you can give yourself in a family law matter.

NEXT STEP

You have the numbers. Now build the strategy.

A completed workbook changes the first conversation you have with a lawyer. Instead of spending that hour reconstructing your budget, you spend it deciding what to do about the shortfall — what to ask for, what to concede, and what a court in your county is realistically likely to do with the facts in front of it.

Cape Fear Family Law represents clients across southeastern North Carolina from offices in Wilmington and Jacksonville. Bring this workbook to your consultation, filled in as far as you were able to get. The blanks you could not fill are often the most informative pages in it.

Schedule a consultation

Wilmington • Jacksonville • (910) 210-0349 • www.capefearfamilylaw.setmore.com

Important. This workbook is an educational tool. It is not legal advice, it does not create an attorney-client relationship, and it does not account for the specific facts of any individual case. North Carolina alimony and post-separation support are governed by Chapter 50 of the General Statutes and are decided at the discretion of the court after weighing statutory factors; no worksheet can predict an outcome. Statutes, tax treatment, and insurance rules change. Consult a licensed North Carolina attorney about your own situation before relying on anything in these pages.