◈ CoinTracker Enterprise

The Controller's Guide

Cryptocurrency Accounting in 2025

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Executive summary

Crypto has entered a new era of mainstream acceptance. What began as a fringe technology has evolved into a rapidly maturing sector that now intersects with traditional finance, commerce, and technology infrastructure. Today, CFOs and Controllers face a unique opportunity to position their companies at the forefront of financial innovation by thoughtfully engaging with this space.

Institutional adoption is accelerating. Major corporations, such as Micro Strategy and Tesla, are holding crypto as part of treasury strategy, stablecoins are being explored for global payments and settlement, and blockchain-based systems are reshaping commerce, compliance, and finance.

Regulatory clarity is rapidly advancing. In July 2025, the U.S. enacted the GENIUS Act ("Guiding and Establishing National Innovation for U.S. Stablecoins"), the first federal law specifically regulating stablecoins. It mandates 1:1 backing by U.S. dollars or short-term Treasuries, requires monthly public disclosures of reserves, annual audits for large issuers, strong anti-money-laundering safeguards, and prioritizes stablecoin holders in case of issuer insolvency, while aligning state and federal oversight frameworks.

Simultaneously, the Digital Asset Market CLARITY Act, passed by the House, proposes a comprehensive market-structure regime—forging clear boundaries between the CFTC and SEC. It defines "digital commodities," establishes registration classes (exchanges, brokers, dealers), and introduces a $75 million offering exemption, paired with rigorous disclosure requirements for issuers and ongoing reporting obligations.

These twin legislative advances are complemented by the CFTC's recent approval of spot crypto trading on regulated exchanges under "Project Crypto," further strengthening the regulatory infrastructure for digital assets.

For finance leaders, this is a pivotal moment. Companies that strategically embrace crypto — whether for treasury, payments, customer experience, or product innovation — can unlock efficiencies and gain a competitive advantage. But doing so requires financial discipline, clear internal policies, and modernized systems for accounting, controls, and risk management.

This guide is designed to help CFOs, Controllers, and senior finance leaders evaluate the space through a pragmatic, enterprise-ready lens. It outlines the evolving digital asset landscape, identifies strategic and operational considerations, and summarizes the most important accounting frameworks and tools now available to support GAAP-compliant crypto activity.

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Introduction

2.10
Key accounting developments impacting crypto adoption

While the crypto landscape is expanding strategically, recent accounting and regulatory updates have also removed significant technical and compliance barriers, making it more feasible for companies to incorporate crypto into their financial reporting.

- **Fair Value Accounting (ASC 350-60):** In December 2023, the FASB issued ASU 2023-08, which allows certain crypto assets to be measured at fair value, with changes recorded in net income. This replaces the prior cost-less-impairment model for qualifying assets, increasing transparency.

- **SAB 122 Supersedes SAB 121:** In January 2025, the SEC issued SAB 122, replacing SAB 121. SAB 121 required entities safeguarding digital assets to recognize both the asset and a liability, creating regulatory complications for banks and custodians. SAB 122 removes this requirement, easing barriers for regulated institutions to participate in crypto custody.

These developments reflect a maturing regulatory environment and align with broader institutional and policy momentum. Combined, they support more robust and auditable crypto accounting processes, reducing friction for enterprise adoption.

The following sections provide a framework for evaluating crypto opportunities, understanding key operational and accounting requirements, and preparing for integration into financial systems.

2.20
Key questions before onboarding crypto

- What are the intended use cases (e.g., treasury, payments, staking)?

- Will assets be self-custodied or held with a third party?

- What accounting treatment will apply to each asset type?

- Are internal systems and controls ready for crypto activity?

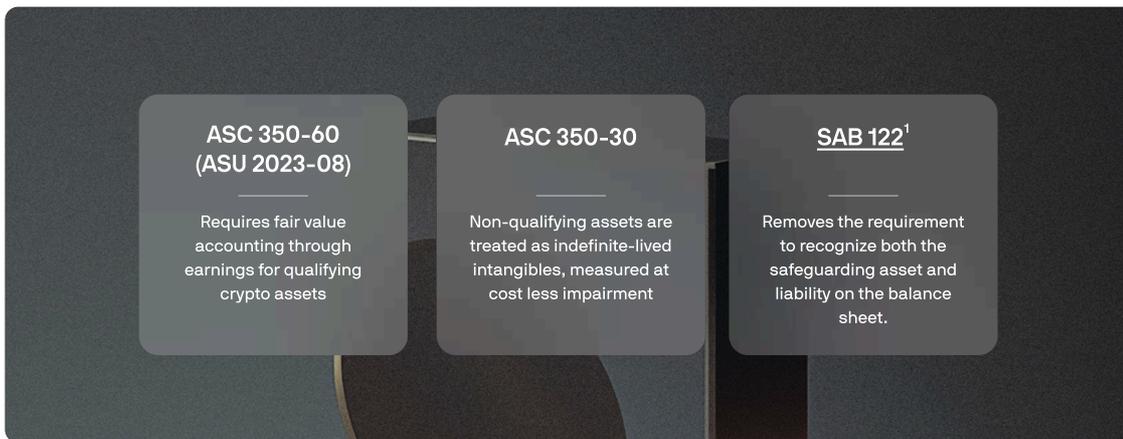- How will this affect tax, audit, and financial reporting?

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Accounting frameworks

3.10
Crypto accounting framework summary

As crypto accounting standards evolve, it's critical to understand the frameworks that govern how digital assets are recognized and measured on financial statements. Below is a summary of the most relevant guidance impacting crypto asset accounting:

ASC 350-60 (ASU 2023-08)	ASC 350-30	SAB 122[1]
Requires fair value accounting through earnings for qualifying crypto assets	Non-qualifying assets are treated as indefinite-lived intangibles, measured at cost less impairment	Removes the requirement to recognize both the safeguarding asset and liability on the balance sheet.

Together, these standards shape how crypto assets are recognized and disclosed. The next section breaks down how specific asset types are treated under this evolving framework.

3.20
Treatment by asset type

Asset type	Accounting treatment
Bitcoin, Ether (FV-eligible)	Fair value (ASC 350-60) with gains/losses in earnings
Stablecoins[2]	May qualify as financial assets or intangibles, depending on redemption terms
Native Tokens	Cost basis; excluded from ASC 350-60 treatment
NFTs, RWAs	Intangible assets; impairment model applies

[1] SAB 122 removes SAB 121's specific crypto disclosure rules but requires entities to disclose the effects of a change in accounting principal as a result of adopting SAB 122 and consider continuing specific crypto disclosures, if they believe the information would be useful for investors in understanding obligations and risks related to safeguarding others' crypto assets under existing regulations.

[2] SEC Staff Accounting Bulletin issued August 5th, 2025 suggests that certain U.S. dollar–pegged stablecoins—with guaranteed redemption and proper reserves—could be treated as cash or cash equivalents rather than securities.

3.30
Fair value vs. cost basis

Determining how to value crypto assets is fundamental to accurate financial reporting. U.S. GAAP now differentiates between qualifying assets eligible for fair value treatment and others that must follow traditional cost-based methods.

- **ASC 820** defines fair value as the exit price in orderly transactions

- Only qualifying crypto assets can be marked to fair value per **ASC 350-60**

- Most other digital assets remain subject to the lower of cost or market (LOCOM) model

- **The Statement of Digital Assets** (**SoDA**) standard recommends reporting both book value and fair market value for clarity on liquidity

Understanding when fair value applies and when it doesn't is key to avoiding misstatements and ensuring transparency across your digital asset holdings.

3.40
Financial statement presentation

Once valuation is determined, proper classification and disclosure on the financial statements is essential. Recent guidance outlines new expectations specific to crypto assets.

- **ASC 350-60 Crypto:** Separate line item from other intangibles on balance sheet and income statement

- **Disclosures:** Require rollforwards, fair value hierarchy, impairment methodology, and risks

These presentation rules not only improve clarity for investors and regulators, they also reduce ambiguity for accounting teams managing rapidly evolving crypto portfolios. Companies that hold crypto qualified under ASC 350-60 are required to adopt the new standard in fiscal years beginning after December 15, 2024 with the option to early adopt.

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Operational and audit readiness

4.10
Operational considerations

Managing crypto at scale requires thoughtful operational choices. From custody models to wallet reconciliation, operational decisions directly impact accounting accuracy and audit preparedness.
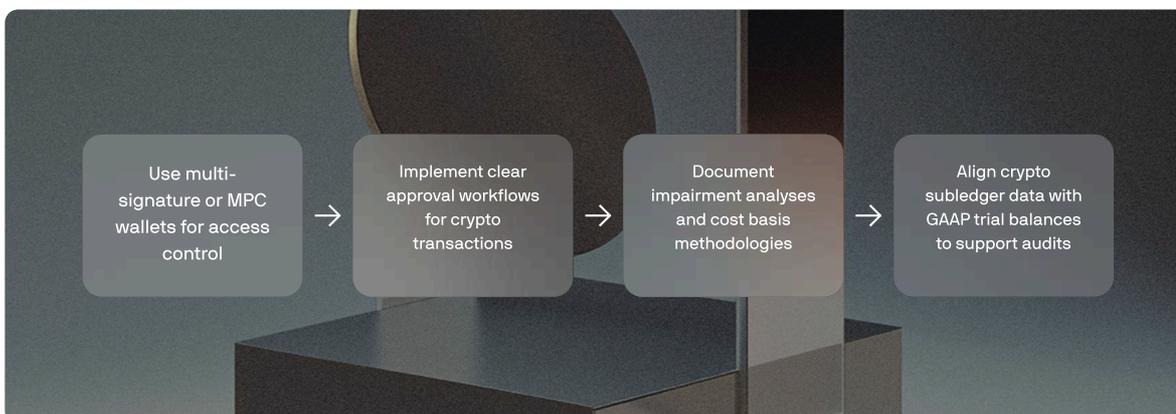
- **Custody:** Self-custody offers control; third-party custody introduces audit and legal complexity (see SAB 122)

- **Subledger Tools:** CoinTracker Enterprise to help automate onchain accounting, support SoDA rollforwards, and track cost basis

- **Wallet Reconciliation:** Reconcile wallet balances to general ledger and subledger frequently

Building the right foundation now ensures smoother reporting later and sets the stage for efficient compliance.

4.20
Internal controls and audit readiness

Strong internal controls are essential for safeguarding assets and passing audits. With crypto, this means adapting traditional processes to decentralized, onchain environments.

Use multi-signature or MPC wallets for access control → Implement clear approval workflows for crypto transactions → Document impairment analyses and cost basis methodologies → Align crypto subledger data with GAAP trial balances to support audits

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Taxation and reporting

5 . 10
Tax implications

Under US tax law, crypto is treated as property, not currency. This has major implications for gain/loss recognition, income reporting, and documentation requirements.

A. Taxable Events

A taxable event generally occurs any time a crypto asset is disposed of or earned. Common examples include:

Event type	Tax treatment
Sale of crypto	Capital gain/loss (short- or long-term)
Crypto-to-crypto trades	Treated as a sale of property — gains/losses realized
Spending crypto (e.g., on services or products)	Trigger gain/loss on cost basis vs FMV at time of use
Staking rewards	Ordinary income (at the time each block reward is received)
Airdrops	Ordinary income (at time of control/access)
Mining rewards	Ordinary income; potentially self-employment income
Wrapped tokens, token bridges	May trigger disposal depending on structure
Receiving crypto as payment for goods & services.	Treated as gross income based on the FMV of the assets at the time of the transaction. FMV becomes the cost basis for future sales/ dispositions.

⚠️ Even internal transfers between wallets or entities may appear to be taxable dispositions if not properly documented

B. Cost Basis & Lot Identification

- Finance teams must track cost basis, acquisition date, and holding period for each unit (or fractional unit)

- IRS Recognized Methods: FIFO (default) and Specific Identification. LIFO and HIFO are not IRS recognized however, Finance Teams can replicate LIFO and HIFO outcomes using Specific Identification with detailed lot-level records via a crypto subledger tool such as CoinTracker Enterprise.

- Specific identification requires detailed subledger tracking and timely lot tagging

- Finance teams must choose a lot relief method before trades or transfers are made. FIFO applies by default, and changes can't be made retroactively.

C. Reporting requirements and IRS forms to be aware of:

- Form 8949: Report capital gains/losses from crypto disposals

- Schedule D: Summary of capital activity

- Form 1099-DA (coming soon): New standardized crypto reporting from exchanges

- Form 1040 (crypto checkbox): Disclose ownership or usage of digital assets

- Form 8300: For businesses receiving >$10,000 in crypto

⚠️ The IRS continues to increase enforcement focus on crypto disclosures, especially under the Infrastructure Investment and Jobs Act (IIJA)

D. Best Practices for Controllers

- Use a crypto tax subledger or integration tool (e.g., CoinTracker Enterprise) to maintain tax lots and automate 8949s

- Reconcile subledger to general ledger for accurate financial and tax reporting

- Segregate business vs. personal activity, and document all intercompany wallet transfers

- Coordinate early with tax advisors to align accounting method elections, income timing, and international treatment (e.g., transfer pricing)

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Exhibit A: SoDA reporting essentials

The Statement of Digital Assets (SoDA) provides a standardized reporting format that bridges on-chain digital asset activity with traditional GAAP-based accounting. It supports:

- Liquidity transparency

- Financial reporting tie-outs

- Enhanced audit readiness

- Regulatory and internal compliance

A. Wallet/asset mapping

Element	Description
Wallet Address/ID	Public blockchain address or internal label
Asset Type	E.g., BTC, ETH, USDC, native token
Business Role	Treasury, operations, custody, staking, etc.
Unit Balance	Asset quantity held
USD Value	Ending balance converted to USD

⚠ Best Practice: Assign one purpose per wallet to avoid commingling of funds

B. Asset Roll Forward

Field	Description
Beginning Balance	Start-of-period holdings (units & USD)
Additions	Purchases, inflows, staking rewards
Disposals	Sales, withdrawals, expenses
Realized Gains/Losses	Recognized on asset sale or use
Unrealized Gain/Loss	Cost basis write-downs (if not FV-eligible)
Ending Balance	End-of-period holdings (units & USD)

⚠ Required under ASC 350-60 for significant crypto asset holdings

C. Wallet Hygiene & Internal Controls

Practice	Description
Wallet segregation	Separate wallets for treasury, ops, customers
Access controls	Use multi-sig or MPC for key security
Cold vs. hot wallet tracking	Classify by risk exposure
Key custody log	Maintain access logs with role-based permissions
De minimis wallet handling	Group immaterial wallets with disclosure

⚠ Goal: Ensure traceability, access security, and auditability

D. Valuation & Disclosures

Practice	Description	GAAP Reference
ASC 350-60 eligible	Fair value (ASC 820)	ASC 350-60
Other crypto assets	Cost less impairment (LOCOM)	ASC 350-30

- Disclose pricing sources and fair value hierarchy (Level 1–3)

- Report both book value and fair market value (FMV) for transparency

E. Reconciliation

Practice	Description
On-chain balances ↔ Subledger	Ensure SoDA ties to blockchain data
Subledger ↔ GL	Match crypto journals to ledger
SoDA ↔ Financial Statements	Support ASC 350-60 & SAB 122 audit

> ⚠ Include a reconciliation schedule for each reporting period

F. Optional Enhancements

- Include tax lot details for realized gains/losses

- Annotate custodial relationships for third-party wallets

- Provide snapshot of FMV vs. Book Value variance

- Document cutoff and pricing methodology

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Why CoinTracker Enterprise Is Critical for Finance Teams

Traditional accounting systems do not integrate with onchain transactions and are not designed to handle the complexity of cryptocurrency. Companies adopting digital assets need a dedicated crypto subledger to translate blockchain activity into structured, GAAP-compliant financial data.

Here's why it's essential:

- Automated Transaction Capture: Crypto transactions occur across wallets, exchanges, custodians, and blockchains, often with high volume and complexity. A subledger connects directly to these sources and ingests historical and ongoing transactions via batch syncing.

- Accurate Cost Basis & Lot Tracking: Subledgers track cost basis, acquisition dates, holding periods, and lot matching (e.g., FIFO, HIFO, LIFO, etc.), which are required for both tax reporting and financial reporting (especially under ASC 350-60).

- Fair Value: Subledgers facilitate the calculation of fair market values and unrealized gains/losses per wallet and asset, which is crucial for compliance with GAAP and ASC 820.

- Wallet-to-General Ledger Reconciliation: These tools serve as a bridge between the blockchain and your general ledger, allowing finance teams to reconcile balances, create journal entries, and produce audit-ready Statement of Digital Asset (SoDA) reports.

- Audit & Compliance Readiness: Crypto subledgers preserve onchain evidence, timestamped transaction history, and pricing sources, making audit support significantly easier and more defensible.

> In short, a crypto subledger is not optional: it's the financial system of record for onchain activity. Without it, finance teams face operational risk, audit gaps, and reporting blind spots.

Kraken (12)

Token		Fair Market Value		Quantity		Unit Price		Cost Basis		Unrealized Gain

| | | $2,079,083.95 | | 20.0473144 | | $103,708.85 | | $2,076,184.80 | | $1,148,070.69 |

Bitcoin
BTC

Accounting

All up to date

Journal Entries

Activity

Home

Accounting

Integrations

Ledger

Review

Rules

Reports

Spam center

Set up

Contact us

Settings

May Income Statement   May   Open   Export

Summery   Menu text

Token	Amount
Income	$3,254.64
Expenses	$380.52
Realized gain/(loss)	$611.15
Net income	$5,254.46

Digital asset holdings   Kraken (12)

By asset   Menu text

Token		Fair Market Value		Quantity		Unit Price		Cost Basis		Unrealized Gain
Total		$5,208,225.15				$5,208,225.15		$3,160,868.60		$2,100,000.42
Bitcoin BTC		$2,079,083.95		20.0473144		$103,708.85		$2,076,184.80		$1,148,070.69