BEOL Custody Architecture Worksheet

BEOL Artifact B-5 | Bitcoin Economic Optimization Logic | Treasury Operations

Qualified vs. self-custody evaluation framework. Complete at implementation and annually thereafter.

PURPOSE & HOW TO USE

This worksheet guides the systematic evaluation of Bitcoin custody architecture decisions: qualified custodian vs. self-custody, single vs. multi-custodian, and insurance adequacy. Complete Section 1 first to establish your organizational parameters. BEOL's custody matrix then maps those parameters to a recommended architecture. Sections 3 and 4 provide due diligence checklists for evaluating specific custodian candidates.

Complete annually and whenever: (a) position size crosses a material threshold, (b) custodian relationship changes, (c) regulatory environment shifts, or (d) insurance coverage is renewed. Retain completed worksheets for audit documentation.

SECTION 1 — Organizational Parameters

Establish current-state inputs before applying the BEOL decision matrix. All figures as of assessment date.

FIELD	VALUE	FIELD	VALUE
Organization Name	[Organization]	Assessment Date	____________
Bitcoin Position (BTC)	____________ BTC	Position at Current Market Value	$____________ M
Cost Basis (Total)	$____________ M	% of Total Treasury Assets	____________ %
Regulatory Environment	■ Public company ■ Private ■ RIA ■ Other	Applicable Standard	■ GAAP ■ IFRS ■ Other
Debt / Covenant Sensitivity	■ High ■ Medium ■ Low ■ None		
Current Custodian(s)	____________	Current Architecture	■ Single ■ Multi ■ Self ■ Hybrid
Treasury Team Operational Capability	■ High (API, multi-sig, full controls) ■ Medium ■ Limited		

1.1 Regulatory Pre-Screen

Answer these questions first — affirmative answers may mandate qualified custody regardless of other factors.

Is your organization an SEC-registered investment adviser?	RIAs may be subject to the Custody Rule (Rule 206(4)-2) requiring qualified custodian use for client assets.	■ Yes — qualified custodian likely required. Confirm with securities counsel. ■ No — proceed to Section 2.
Is your organization subject to banking or insurance regulation?	Bank holding companies, insurance companies, and similar entities may have custody requirements under their primary regulator.	■ Yes — confirm custody requirements with primary regulator before proceeding. ■ No — proceed.
Do your debt covenants specify custody requirements?	Some credit facilities require qualified custodian or impose operational requirements on digital assets.	■ Yes — identify specific covenant language and confirm compliance below. ■ No — proceed.
Have your external auditors expressed a position on custody?	Auditors increasingly expect qualified custodian arrangements for institutional Bitcoin holdings.	■ Yes — document auditor position here: ________________________ ■ No / Not yet raised.

Does your jurisdiction require specific custody licensing?	New York BitLicense, Wyoming SPDI, EU MiCA custodian requirements, etc.	■ Yes — confirm custodian licensing status in relevant jurisdiction. ■ No / Unknown — confirm with legal counsel.

SECTION 2 — BEOL Custody Decision Matrix

Apply the BEOL matrix by identifying your organization's profile across three dimensions: position size, regulatory pressure, and operational capability. The intersection determines the BEOL recommended architecture.

Position Size	Regulatory Pressure	Operational Capability	BEOL Recommendation	Rationale
<$10M	Low	Limited	**Qualified Custodian (Single)**	Operational simplicity justified. Cost efficiency matters. Qualified custody provides governance credibility.
<$10M	High	Any	**Qualified Custodian (Required)**	Regulatory requirements override other factors. Qualified custodian is non-negotiable.
$10M–$25M	Low	High	**Qualified Custodian or Hybrid**	Operational capability makes hybrid viable. Evaluate concentration risk vs. complexity trade-off carefully.
$10M–$25M	Medium–High	Any	**Qualified Custodian (Primary)**	Regulatory and governance expectations at this size favor full qualified custody.
$25M–$100M	Any	High	**Multi-Custodian (70/30 Split)**	Concentration risk justifies custodial diversification. Operational complexity manageable with high capability.
$25M–$100M	Any	Limited	**Primary Qualified + Evaluate Secondary**	Multi-custodian preferred but limited capability may make single primary more practical. Plan capability build.
>$100M	Any	High	**Multi-Custodian Architecture**	Concentration risk significant. Multi-custodian expected by committee and auditors. No self-custody.
>$100M	Any	Limited	**Primary Qualified + Backup (Build Ops)**	Multi-custodian required. If capability gap exists, build operational infrastructure before adding custodians.

2.1 Self-Custody Viability Assessment

BEOL Position on Self-Custody for Corporate Treasury: Self-custody introduces operational, security, and governance complexity that is rarely justified for corporate treasury purposes. The institutional standard is qualified custody. Self-custody should only be considered as a supplementary architecture where: (1) a specific strategic rationale exists beyond cost reduction, (2) enterprise-grade operational security infrastructure is confirmed, (3) board has explicitly approved after reviewing operational risks, and (4) external auditors have been consulted. Self-custody is not a cost-optimization tool — it is a different risk profile.

Regulatory permission confirmed Has legal counsel confirmed self-custody is permissible under all applicable regulations?	■ Yes — document below ■ No — self-custody not available ■ Unknown — obtain legal opinion first
Board approval for self-custody component Has the board explicitly reviewed and approved any self-custody allocation?	■ Yes — date: ________ ■ No — obtain board approval before proceeding

Enterprise security infrastructure HSMs, air-gapped systems, documented key management procedures, penetration testing?	■ Enterprise-grade confirmed ■ Standard IT infrastructure ■ Not assessed
Multi-signature architecture Multi-sig with institutional-grade key holders and documented recovery procedures?	■ Multi-sig implemented ■ Under development ■ Not in place
Auditor position confirmed External auditors have reviewed and accepted self-custody arrangement?	■ Yes — auditor: ________ ■ Not yet discussed ■ Auditor has concerns
Insurance for self-custody assets Specie / crime coverage covering self-custody holdings specifically?	■ Coverage confirmed: $____M ■ Coverage under evaluation ■ No coverage
Key person / succession for key management Documented process for key holder unavailability, succession, and emergency recovery?	■ Documented and tested ■ Documented, untested ■ Not documented

BEOL Architecture Recommendation — Organization Conclusion

Based on Section 1 parameters and the BEOL decision matrix above, complete the following:

Position Size Bracket: ■ <$10M ■ $10M–$25M ■ $25M–$100M ■ >$100M

Regulatory Pressure: ■ Low ■ Medium ■ High

Operational Capability: ■ Limited ■ Medium ■ High

BEOL Recommended Architecture: ____

Rationale: ____

Approved by Committee: ________________________ Date: ________________

SECTION 3 — Primary Custodian Due Diligence

Complete for the primary custodian. If evaluating multiple candidates, reproduce this section for each. Retain all completed due diligence documentation on file.

PRIMARY CUSTODIAN EVALUATION | Custodian Name: ______________________	Response / Assessment
Regulatory status Is this a qualified custodian per applicable law?	■ Yes
Regulatory oversight body OCC, NYDFS BitLicense, state trust charter, etc.	________________________
Insurance per claim Specie / crime coverage amount	$____M per claim
Insurance exclusions Key-person, insider, war, etc.	________________________
SOC 2 Type II Current SOC 2 Type II certificate on file?	■ Yes ■ No
Years in operation Institutional custody track record	____ years
Financial stability Credit rating / audited financials reviewed	■ Reviewed ■ Not reviewed
Fee structure Annual basis points + transaction fees	____bps + $____ per txn
API / reporting Automated reporting / reconciliation feed?	■ Yes ■ No
Withdrawal controls Multi-sig, whitelist, time-lock capability	■ Multi-sig ■ Whitelist ■ Time-lock
Geographic jurisdiction Domicile and regulatory jurisdiction	________________________
Reference checks Institutional clients willing to provide reference?	■ Yes ■ No ■ Pending
Contract terms Key contractual protections reviewed by legal	■ Reviewed ■ Pending
Disaster recovery Documented DRP with RTO/RPO	■ Reviewed ■ Not reviewed
Emergency access What happens to assets if custodian ceases operations?	________________________

Primary Custodian Assessment Summary

Selection Recommendation: ■ APPROVED ■ CONDITIONALLY APPROVED (conditions below) ■ NOT APPROVED

Key Strengths: ____

Key Concerns: ____

Conditions (if conditional): ____

Proposed Allocation: ____% of Bitcoin position | $ ____M at current value

Contract / MSA Date: ________________ Legal Review Completed: ■ Yes ■ No

Approved by CFO: _______________________ Date: ___________

SECTION 4 — Secondary Custodian Due Diligence (if Multi-Custodian Architecture)

Complete if multi-custodian architecture is selected. Secondary custodian should be under different organizational ownership than primary to achieve genuine diversification.

SECONDARY CUSTODIAN EVALUATION | Custodian Name: ______________________	Response / Assessment
Regulatory status Is this a qualified custodian per applicable law?	■ Yes
Regulatory oversight body OCC, NYDFS BitLicense, state trust charter, etc.	________________________
Insurance per claim Specie / crime coverage amount	$____M per claim
Insurance exclusions Key-person, insider, war, etc.	________________________
SOC 2 Type II Current SOC 2 Type II certificate on file?	■ Yes ■ No
Years in operation Institutional custody track record	____ years
Financial stability Credit rating / audited financials reviewed	■ Reviewed ■ Not reviewed
Fee structure Annual basis points + transaction fees	____bps + $____ per txn
API / reporting Automated reporting / reconciliation feed?	■ Yes ■ No
Withdrawal controls Multi-sig, whitelist, time-lock capability	■ Multi-sig ■ Whitelist ■ Time-lock
Geographic jurisdiction Domicile and regulatory jurisdiction	________________________
Reference checks Institutional clients willing to provide reference?	■ Yes ■ No ■ Pending

Contract terms Key contractual protections reviewed by legal	■ Reviewed ■ Pending
Disaster recovery Documented DRP with RTO/RPO	■ Reviewed ■ Not reviewed
Emergency access What happens to assets if custodian ceases operations?	_________________________

Secondary Custodian Assessment Summary

Selection Recommendation: ■ APPROVED ■ CONDITIONALLY APPROVED ■ NOT APPROVED

Organizational Ownership Different from Primary: ■ Confirmed ■ Related — explain: _______________

Insurance Independent of Primary: ■ Confirmed ■ Unknown

Proposed Allocation: ____% of Bitcoin position | $ ____M at current value

Contract / MSA Date: _________________ Legal Review Completed: ■ Yes ■ No

Approved by CFO: ________________________ Date: ____________

SECTION 5 — Insurance Adequacy Analysis

BEOL insurance framework: custody insurance is risk transfer, not risk elimination. Evaluate coverage adequacy systematically rather than accepting custodian-provided coverage without analysis.

COVERAGE PARAMETER	PRIMARY CUSTODIAN	SECONDARY CUSTODIAN	SUPPLEMENTAL POLICY
Coverage type (specie / crime / cyber)			
Coverage limit per claim ($M)	$____M	$____M	$____M
Annual aggregate limit ($M)	$____M	$____M	$____M
Deductible / retention	$____	$____	$____
Key exclusions			
Policy expiry date	__________	__________	__________
Insurer name / rating			
Coverage reviewed by legal	■ Yes ■ No	■ Yes ■ No	■ Yes ■ No

BEOL Supplemental Insurance Decision Framework

Step 1: Total custody coverage available = Primary coverage + Secondary coverage (if applicable)

$ ____M + $ ____M = $ ____M total covered

Step 2: Uncovered amount = Total position value – Total custody coverage

$ ____M – $ ____M = $ ____M uncovered (self-insured)

Step 3: Coverage gap as % of total position = Uncovered ÷ Total position value

$ ____M ÷ $ ____M = ____% uncovered

BEOL Threshold:

Gap < 20% of position → Accept gap (self-insure the excess)

Gap 20%–50% of position → Evaluate supplemental insurance cost vs. expected loss

Gap > 50% of position → Supplemental insurance strongly justified; obtain quotes

Gap Assessment: ____% → ■ Accept gap ■ Evaluate supplemental ■ Obtain supplemental quotes

Supplemental premium obtained: $ ____ annually | NPV analysis: ■ Positive ■ Negative ■ Not completed

SECTION 6 — Architecture Summary & Governance Approval

ELEMENT	DECISION / VALUE	APPROVED
Architecture type selected	■ Single qualified ■ Multi-custodian ■ Hybrid ■ Other	■
Primary custodian	____________________________	■
Primary custodian allocation	____% = $____M	■
Secondary custodian (if applicable)	____________________________	■

Secondary custodian allocation	____% = $____M	■
Self-custody allocation (if applicable)	____% = $____M (Board approval date: ______)	■
Total insurance coverage	$____M (____% of position)	■
Insurance gap determination	■ Accepted ■ Supplemental obtained ■ Under evaluation	■
SRF custody contingency plan	■ Documented ■ Not yet documented	■
Annual review date	____________	■

COMMITTEE APPROVAL

This custody architecture assessment was completed in accordance with BEOL governance requirements. The recommended architecture reflects BEOL decision matrix output, regulatory requirements, and organizational parameters as documented above. Legal counsel has reviewed custodian contracts and insurance adequacy. The committee approves the custody architecture documented in Section 6.

Role	Name	Signature	Date
Prepared By (Treasury / CFO)			
Reviewed By (Legal Counsel)			
Approved By (Committee Chair)			
Board Approval (if self-custody or >$50M)			

Next Annual Review Date: ______________________ | Triggered by: ■ Annual ■ Position threshold ■ Custodian change ■ Regulatory change