

The 10-Point Web3 Pay & Crypto Compensation Checklist

Before You Sign: Crypto payroll isn't as simple as handing over a wallet address. Between USD anchor rules, gas fee deductions on Ethereum Mainnet, tax classification, token cliff terms, and domestic banking scrutiny, contract ambiguities create costly friction. Derived from ArtOfBlockchain.club community playbooks, this 10-point checklist gives you the exact questions to ask before signing.

PART 1: THE USD ANCHOR & INVOICING STRUCTURE

01. Is the contract and formal invoice anchored in USD?

The Question: "Will our commercial agreement and monthly invoice be denominated in USD, with USDC used strictly as the payment settlement rail?"

Why it matters: (AOB Standard) Always keep the commercial invoice in USD (e.g., \$8,000 USD). Traditional accounting and tax authorities understand USD. Denominating invoices directly in "USDC" or volatile tokens creates accounting disputes and tax reconciliation headaches.

02. What exact conversion rate source and timestamp rule apply?

The Question: "Which public exchange spot rate (e.g., Coinbase, Kraken) and timestamp (payment-time vs. invoice-date) is written into the agreement to calculate USDC settlement?"

Why it matters: Lock one fixed rate source in writing (e.g., "Coinbase spot rate at exact payment timestamp"). Without a defined settlement clause, even minor stablecoin fluctuations or payment delays trigger monthly reconciliation arguments.

03. Who pays the gas fees (L1 Mainnet vs. L2 Settlement)?

The Question: "Can payouts be disbursed on low-cost Layer-2 networks (Polygon, Arbitrum, Base), and does the company cover the gas transfer overhead?"

Why it matters: Being paid in ERC-20 USDC on Ethereum L1 can cost \$20–\$50 in bridging and gas fees just to move your funds. Confirm the team absorbs transfer fees and supports efficient L2 rails.

⚡ AOB Protocol — The "Separation of Proof" Rule: Keep crypto artifacts off the formal commercial invoice! Send a clean USD invoice to the client first. Once paid, reply on the same email thread with a **Settlement Note** (TxHash, Chain Name, and Block Explorer link). This keeps domestic tax records clean without confusing traditional accountants.

PART 2: PAYOUT RAILS, CASH-FLOW TIMING & SPLIT SALARY

04. Can I request a hybrid split (fiat + stablecoin) or a bank-transfer fallback?

The Question: "Does the company offer a split salary (e.g., 60% fiat for living expenses / 40% USDC), and is there a written bank-transfer fallback if crypto rails fail?"

Why it matters: Rent, EMIs, and local taxes require fiat on fixed dates. If you lack a 3–6 month fiat emergency buffer, a hybrid split or guaranteed fallback rail protects you from off-ramp delays and banking freezes.

05. What payment processor or payroll system do you use?

The Question: "Is payroll executed via Employer of Record platforms (Deel, Remote), crypto payroll tools (Request Finance), or direct multisig wallet transfers?"

Why it matters: EoR setups handle local statutory compliance and tax withholdings. Direct Gnosis Safe or DAO transfers mean you are classified as an independent contractor and bear 100% self-invoicing and tax compliance responsibility.

06. What are the invoice submission deadlines and net payment terms?

The Question: "What is the monthly billing cut-off date, and what are the payment terms (Net 0, Net 7, Net 15)?"

Why it matters: DAO signers and distributed startups often take 1–2 weeks to execute multisig transactions. A clear schedule ensures your cash flow isn't stranded by slow internal treasury operations.

PART 3: COMPLIANCE, VESTING & TREASURY RISK

07. How is my contract classified for local tax compliance?

The Question: "Am I classified as an international independent contractor, and will the company sign a formal B2B Master Services Agreement (MSA)?"

Why it matters: Cross-border contractor setups require rigorous documentation. In jurisdictions with strict crypto tax laws (e.g., India's 30% VDA tax / 1% TDS under Sec 115BBH/194S), maintaining clean B2B service records is essential for tax audits.

08. How are token grants, cliffs, and vesting distributions executed?

🗣️ **The Question:** "What is the token vesting schedule (e.g., 4-year with a 1-year cliff), and is distribution streamed on-chain (via Sablier/Hedgey) or handled via manual grants?"

💡 **Why it matters:** If native tokens or token warrants are included, verify the legal entity granting them, liquidity assumptions, and whether tokens are subject to post-vesting transfer lockups.

09. What is the contingency clause if a stablecoin de-pegs?

🗣️ **The Question:** "If the designated stablecoin de-pegs by >1.5% at the time of payroll, does the agreement guarantee fair USD market value adjustment?"

💡 **Why it matters:** You should never bear stablecoin de-pegging risk. Your contract must stipulate that payouts match the full agreed USD value at the exact second of on-chain execution.

10. Do you provide formal contractor stubs / verifiable proof of income?

🗣️ **The Question:** "Will the company provide signed monthly payment vouchers and formal confirmation letters alongside tx hashes?"

💡 **Why it matters:** Traditional banks, mortgage lenders, and visa authorities do not accept raw block explorer links. You need formal written proof of income from the hiring entity.

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