

THE BITCOIN UNIT SYSTEM

UNIT	SYMBOL	IN BTC	IN SATOSHIS	@ \$96,000	@ \$120,000	BEST USED FOR
Bitcoin	BTC	1.00000000	100,000,000	\$96,000	\$120,000	Investment, large transfers, price quotes
Millibitcoin	mBTC	0.00100000	100,000	\$96.00	\$120.00	Medium amounts, some older wallets
Microbitcoin (bit)	µBTC	0.00000100	100	\$0.096	\$0.12	Small amounts, legacy apps
Satoshi	SAT	0.00000001	1	\$0.00096	\$0.0012	Lightning payments, everyday commerce

CONVERSION FORMULAS

SATS → USD
 $\text{sats} \div 100,000,000 \times \text{BTC price}$
52,000 sats @ \$96k = \$49.92

USD → SATS
 $\text{dollars} \div \text{BTC price} \times 100,000,000$
\$10 @ \$96k = 10,417 sats

BTC → SATS
 $\text{BTC} \times 100,000,000$
0.005 BTC = 500,000 sats

SATS → MBTC
 $\text{sats} \div 100,000$
250,000 sats = 2.5 mBTC

SATS → USD QUICK REFERENCE

SATOSHIS	= USD @ \$96K	EXAMPLE
1,000	\$0.96	Small tip
5,208	\$5.00	Coffee
10,417	\$10.00	Lunch
26,042	\$25.00	Dinner
52,083	\$50.00	Groceries
100,000	\$96.00	= 1 mBTC
1,000,000	\$960	= 10 mBTC
100,000,000	\$96,000	= 1 BTC

MULTI-PRICE REFERENCE

SATS	\$60K	\$80K	\$96K	\$120K	\$150K
1,000	\$0.60	\$0.80	\$0.96	\$1.20	\$1.50
10,000	\$6	\$8	\$9.60	\$12	\$15
50,000	\$30	\$40	\$48	\$60	\$75
100,000	\$60	\$80	\$96	\$120	\$150
500,000	\$300	\$400	\$480	\$600	\$750
1,000,000	\$600	\$800	\$960	\$1,200	\$1,500
10,000,000	\$6,000	\$8,000	\$9,600	\$12,000	\$15,000

LIGHTNING NETWORK

WHAT IT IS
 Bitcoin's instant payment layer. Used by Square, Strike, Cash App. Always in satoshis.

- ✓ Settles in **1-3 seconds**
- ✓ Fees typically **under \$0.01**
- ✓ Always in **whole satoshis**
- ✓ Customer **scans QR code**
- ✓ Square **auto-converts to USD**

Square Lightning **0% fees thru 2027**
4M+ US merchants

TAX BASICS FOR MERCHANTS

IRS RULE
 Bitcoin payments = ordinary income at USD fair market value at time of receipt.

RECORD FOR EVERY PAYMENT

- Date and time** of transaction
- Satoshi amount** received
- USD value** at time of receipt
- What it was for**
- Transaction ID** from Square

Square records all of this automatically. Export monthly. Use Square's rate, not a rate looked up later.

MERCHANT GETTING STARTED

- Enable Bitcoin: **Square Dashboard → Settings**
- Set **auto-convert to USD**
- Train staff: customer **scans QR**, 15 sec
- Add **"Bitcoin accepted"** sign at register
- Bookmark **bitcoinunit.com/converter**
- Export Square transactions **monthly**
- Tell your **accountant** you accept Bitcoin

NOT FINANCIAL OR TAX ADVICE
 Educational only. Consult a tax professional for your situation.

KEY TERMS GLOSSARY

Satoshi (sat)	Smallest Bitcoin unit. 1 BTC = 100,000,000 sats. Named after Bitcoin's creator.
Lightning Network	Fast payment layer on Bitcoin. Used by Square, Strike, Cash App, Shopify.
Lightning invoice	QR code payment request for a specific sat amount with an expiry time.
On-chain	Transaction recorded directly on the Bitcoin blockchain. Slower, highly secure.
Wallet	App storing your private keys — not the Bitcoin itself (Bitcoin lives on-chain).
Seed phrase	12-24 backup words for your wallet. Never share, never photograph, store offline.
Cost basis	USD value of Bitcoin when received — needed for capital gains tax calculations.
Custodial	Third party holds your keys (e.g. Square, Coinbase). Convenient, less control.
Self-custody	You hold your own keys. Full control and full responsibility for security.
Volatile	Bitcoin price changes constantly — fiat value of sats fluctuates even when untouched.