New Company Entry Descriptions

March 20, 2026

What is Changing?

Effective **March 20, 2026**, Nacha will require the use of standardized **Company Entry Descriptions** for certain ACH transactions. **PPD credit entries** used to pay wages, salaries, or similar forms of employee compensation must use the Company Entry Description **PAYROLL**. Likewise, qualifying **consumer e-commerce purchase transactions** must use the Company Entry Description **PURCHASE**. These standardized descriptions replace the use of customized or generalized entry descriptions for the applicable transaction types and are intended to improve consistency, transparency, and transaction identification across the ACH Network.

To summarize, the required Company Entry Descriptions are:

- **PAYROLL**
  Required for **PPD credit entries** used to pay wages, salaries, or similar forms of employee compensation.

- **PURCHASE**
  Required for qualifying **consumer e-commerce purchase transactions**, generally authorized as **WEB debit entries** for the online purchase of goods.

Who is Impacted?

Your organization may be impacted if you originate ACH transactions through Johnson Financial Group using Digital Banking or SFTP Direct Transmission and those transactions include:

- ACH payroll payments that require the **PAYROLL** Company Entry Description.

- Qualifying consumer e-commerce purchase transactions that require the **PURCHASE** Company Entry Description.

Action Requested

We encourage you to take the following steps:

1. **Review Your ACH Payment Types**
   - Identify any ACH transactions you originate through Johnson Financial Group that may require the PAYROLL or PURCHASE Company Entry Description.

2. **Review ACH Configuration and Coordinate with Vendors (if applicable)**
    - If you use payroll, accounting, payment, or e-commerce software to generate ACH files, confirm that your ACH origination setup can populate the required Company Entry Description (PAYROLL or PURCHASE) for applicable transactions.

If you manually create ACH payments or batches within Online Banking, ensure that any applicable batch templates you have saved, as well as any new batches you create, use the required Company Entry Description (PAYROLL or PURCHASE), as appropriate.

If ACH files are created or submitted by a third party, contact them to confirm they are aware of Nacha's new Company Entry Description requirements and have updated their processes as necessary.

Questions or Assistance

If you have questions about this rule change or would like assistance reviewing your ACH setup, please contact your Treasury Management Consultant