



ACH Company Entry Descriptions

What is a Company Entry Description?

A 10-character field in an ACH file describing the purpose of a transaction. These appear on the receiver's bank statement and provide clarity, transparency, and consistency across the ACH Network.

Standardized Required NACHA Descriptions

- **ACCTVERIFY** – Account verification via Micro-Entries Effective September 16, 2022
- **PAYROLL** – Payroll credits (PPD wages, salaries, compensation) Effective March 20, 2026
- **PURCHASE** – Consumer e-commerce debits (WEB) Effective March 20, 2026

While **PAYROLL** and **PURCHASE** become mandatory for applicable transaction types with the existing mandatory **ACCTVERIFY**, Originators may continue using existing standard descriptions where appropriate.

Common ACH Company Entry Descriptions

- **ADVANCE** – Cash advance
- **ANNUITY** – Annuity payment
- **BILLPAY** – Bill payment
- **CONTRIB** – Contribution
- **DONATION** – Charitable donation
- **FEES** – Service or processing fees
- **INSURANCE** – Insurance premium
- **INVEST** – Investment transaction
- **LOANPMT** – Loan payment
- **MEMBERSHIP** – Membership dues
- **MORTGAGE** – Mortgage payment
- **PAYMENT** – General payment
- **PENSION** – Pension payment
- **REIMBURSE** – Expense reimbursement
- **RETURN FEE** – Fee assessed for a returned ACH item
- **RENT** – Rent payment
- **REVERSAL** – Correction of a previously processed ACH entry
- **SALARY** – Salary credit (legacy)
- **SUBSCRIP** – Subscription payment
- **TAXES** – Federal / state / local taxes
- **TRANSFER** – Account-to-account transfer
- **UTILITIES** – Utility payment
- **VENDORPMT** – Vendor payment

These examples are common industry practices; only **ACCTVERIFY**, **PAYROLL**, and **PURCHASE** are specifically mandated.

IMPORTANT NOTES

- Description must not be misleading
- Description must align with SEC Code
- **PAYROLL** and **PURCHASE** wording must not be altered

Refer to the NACHA Operating Rules & Guidelines for full requirements.

SEC Code Descriptions

- **PPD (Consumer)** – Written or similarly authenticated authorization for debits/credits.
- **TEL (Consumer)** – Oral authorization obtained over the telephone. Record the call OR provide written confirmation of the authorization to the consumer prior to settlement. Verify the consumer's identity and document the authorization details (date, amount/method, company identity, callback number).
- **CCD/CTX (Business)** – Business-to-business transactions. Use a corporate agreement; include reversal and revocation terms; may include addenda for remittance data.

SEC Code	Use Case	Key Requirements
PPD	Consumer debit/credit with written authorization	Retain authorization; clear revocation terms
TEL	Consumer debit authorized by phone	Record oral auth OR send written confirmation; verify identity
CCD	Business-to-business credit/debit	Corporate agreement; use addenda for remittance
CTX	B2B credit/debit with multiple addenda	Detailed EDI remittance supported