



RED RIVER BANK

When originating ACH payroll credits, “PAYROLL” must appear in the first seven (7) leftmost characters of the Company Entry Description field in the ACH file.

This applies to ACH PPD credits issued for employee compensation, including:

- Employee payroll or salary deposits
- Overtime Pay
- Bonuses
- HSA Payments
- Commission payments
- 1099 Contract employee payments made to consumer accounts
- Other employee compensation deposits

This rule generally **does not** include reimbursements or refunds (e.g., expense reports, travel), as they are non-compensation payments.

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Origination Details

SEC Code ⓘ PPD - Prearranged Payment and Deposit

Company Entry Description PAYROLL

From Subsidiary Search by name

Account Search by name or number

Effective Date 03/24/2026

Recurrence [Set schedule](#)

Correct Examples:

- PAYROLL
- PAYROLLSAL
- PAYROLLHSA
- PAYROLL01

Examples That Should No Longer Be Used:

- WEEKLY PAY
- DIRECT DEP
- SALARY
- PAYDAY

If you originate payroll through ACH, please update your ACH files to begin using this format now.



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FAQs

What is the purpose of the Company Entry Description? Where can I find this information in the ACH record?

- A company sending an ACH payment uses the Company Entry Description field (which is in positions 54-63 in the Company/Batch Header Record) to provide the Receiver with a description of the purpose of each payment. This description can be a maximum of 10 characters, and, in most cases, the value is determined by the Originator (for example: "Gas bill", "ins. Prem.", "Soc. Sec.", etc.).
- However, for certain types of payments, the NACHA operating rules require originators to include a pre-defined description. Examples of descriptive statements required by the Rules include, but are not limited to, the new description "PAYROLL"

This rule establishes a new standard description for PPD Credits for payment of wages, salaries and similar types of compensation. The Company Entry Description field must contain the description PAYROLL in the first seven (7) leftmost characters.

- Receiving Financial Institutes that monitor inbound ACH credits will have better information regarding new or multiple payroll payments to an account.
- A standard description for payroll payments can help support Receiving Financial Institute logic to provide or suppress early funds availability.
- The amendment is intended to reduce the incidence of fraud involving payroll redirections.

Do contributions to an employee's Health Savings Account (HSA) require use of the new 'PAYROLL' Company Entry Description?

- Yes. A payroll deduction deposited to an HSA is a pre-tax component of salary. Therefore, it must carry the 'PAYROLL' Company Entry Description.

What is the difference between the SEC Code PPD and CCD?

- **PPD (Prearranged Payment and Deposit)** is used for transactions with consumer (personal) accounts
- **CCD (Corporate Credit or Debit)** is used for transactions between business/corporate accounts.

If you need assistance reviewing or updating your ACH file setup, our Treasury Management team is happy to help. Please contact us Treasury Services at (318)561-5864