



2026 NACHA Rule Changes – Key Updates for ACH Originators

NACHA is implementing new rules effective **March 20, 2026** (full enforcement by **June 22, 2026**) that apply to all businesses originating ACH payments. These updates aim to reduce fraud and improve payment transparency.

Payroll Entry Description Requirement

A new standardized Company Entry Description is required in the ACH Company Entry Description field to increase clarity and support fraud monitoring and risk management. For PPD credit entries, the **"PAYROLL"** Company Entry Description must be used for the payment of wages, salaries, bonuses, and other similar types of compensation. This description must be in all capital letters in the **Company Entry Description** field.

Action: Update payroll ACH file descriptions before March 20, 2026.

Risk-Based ACH Authorization & Monitoring

Businesses must maintain written, risk-based procedures to detect unauthorized or suspicious ACH activity and review them annually.

Examples:

- Verify any changes to payment instructions using a trusted method.
 - Use dual controls for ACH file creation and release.
 - Monitor for unusual amounts, new payees, or frequency changes.
 - Review user access and ACH limits regularly.
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Recommended Steps

- Confirm any changes to vendor or employee payment instructions.
 - Review account details before submitting ACH batches.
 - Monitor ACH activity and follow internal approval controls.
 - Use clear, meaningful descriptions for vendor/business payments.
 - Keep written ACH procedures updated and available for audit requests.
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Need Support?

Our team can answer questions about how these NACHA changes may affect your ACH services with Bank of San Francisco.

415.744.6701 digitalbanking@bankbsf.com
(Please do not include confidential information in email.)

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