

## Automated Clearing House (ACH) Rules for ACH Originators

To ensure compliance with current regulations, all ACH Originators must obtain a current copy of the National Automated Clearing House Association (NACHA) Operating Rules (Rules) and Guidelines that is published annually. The Rules book may be purchased at [www.nacha.org](http://www.nacha.org). Books are published and available from NACHA in January of each year.

### ACH Facts

- An ACH Originator is any entity or person that creates an ACH transaction.
- ACH entries are categorized as “consumer” or “corporate.”
- ACH is capable of crediting or debiting checking or savings accounts.

### Your Responsibilities as an Originator

- Obtain proper authorizations, dependent upon the transaction type, and retain authorizations for two years past revocation
- Make necessary changes to payee account information within six (6) banking days upon receipt of a Notice of Correction or before another entry is sent.
- Protect the banking information received to originate transactions.
- You are required to abide by multiple rules and agreements including, but not limited to, the following when initiating ACH transactions; NACHA Operating Rules ([www.nacha.org](http://www.nacha.org)), Regulation E (for consumer entries), UCC4 (for corporate credits) and Authorizations for employees, customers, vendors etc.

### Consumer Credit Authorizations

- Use a direct deposit authorization form that collects employee or client account information. This form should allow the company to make credit and debit entries in the event a payroll or pension adjustment is necessary.
- Obtain a voided check or deposit ticket from the employee (if possible).

### Consumer Debit Authorizations

- For consumers, an authorization to debit an account must be in writing or “similarly authenticated.”

### Corporate Authorizations

- For companies, there must be an agreement between the two parties. An authorization to debit an account must be in writing or “similarly authenticated”.

**Standard Entry Class (SEC) Codes:**

SEC Code	Application Title	Application Description	Consumer / Business	Debit / Credit
CCD	Corporate Credit or Debit	Transfer of funds between business accounts or to consolidate funds from several accounts of the same business	Business accounts only	Debit or Credit
PPD	Prearranged Payment and Deposit Entry	Recurring entry for direct deposit of payroll, pension, etc., or for direct payment of recurring bills such as utilities, loans, insurance, etc.	Consumer accounts only	Debit or Credit

**Transaction Codes:**

Transaction Codes	Entry Number
Checking Account Debit	27
Checking Account Credit	22
Savings Account Debit	37
Savings Account Credit	32