

New Nacha Rule Amendments: Company Entry Descriptions – What You Should Know

To keep our clients informed about industry updates, we wanted to share that on **March 20, 2026**, two new Nacha rule amendments will go into effect for the **Company Entry Description** field related to payroll and eCommerce ACH transactions, specifically:

- **Payroll Transactions** – For payment of wages, salaries and similar types of compensation, the Company Entry Description field must contain the description PAYROLL.
- **WEB (eCommerce) Transactions** – For e-commerce purchases, the Company Entry Description field must contain the description PURCHASE.

What is the purpose of the new amendments?

These two rule amendments are part of a larger risk management effort initiated by Nacha to standardize the use of the Company Entry Description field and to help manage risk.

When do the new rule amendments go into effect?

The new amendments become effective on **March 20, 2026**.

If I do not initiate payroll or eCommerce payments, the changes do not apply to me, correct?

These changes only apply to clients that are **processing** Payroll and eCommerce type transactions. Other ACH payments are not impacted by this amendment.

What is the Company Entry Description? Where is it located on the ACH record?

The Company Entry Description provides the Receiver with a description of the purpose of each payment. The field can be found in positions 54-63 in the Company/Batch Header Record which is also known as the 5-record.

If you use Business Suite® or Business Essentials for ACH origination, the Company Entry Description field, labeled as **Batch Description**, is already pre-filled for payroll transactions, however, for any saved ACH templates, you will need to update the field to include this information if it is not displaying the value provided by City National Bank. City National's Treasury Management Client Services Team can assist you with any questions regarding ACH initiation in Business Suite or Business Essentials.

Will the new amendments affect companies with contract (1099) employees?

Yes, the amendments impact originators of all types of compensation payments, regardless of the type of relationship with the employee.

Can originators utilize the remaining three characters in the Company Entry Description field to designate the payment for a particular purpose?

Yes, as the word PAYROLL will use seven of the ten available spaces in the field, the remaining three spaces can be used to further identify the payment. For example:

- PAYROLL 02
- PAYROLL432
- PAYROLLEMP

Will contributions to an employee's Health Savings Account (HSA) require the use of the new PAYROLL description?

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

Can I begin adding the required values before the March 20, 2026 effective date?

Yes, originators can begin adding the required information to the new field immediately.

Will my payments be held if the Company Entry Description field (or Batch Description field in Business Suite/Business Essentials) contains a value other than PAYROLL or PURCHASE after the March 20 effective date?

No, your transactions will be processed as usual.

What do I need to do to get ready?

- Originators/Third-Party Service Providers of these transaction types may need to update their systems to utilize the required company entry descriptions.
- Begin reviewing any stored templates and adjust the Company Entry Description field to include the required values.
- If you are using accounting software or other methods to create payment files, you will need to ensure the Company Entry Description is updated with the required values.

Who can I contact for further information or assistance?

- Review the official announcement from Nacha regarding the rule amendments found [here](#).
- For assistance with entering ACH transactions in Business Suite or Business Essentials, please contact Treasury Management Client Services at TMServicing@cnb.com or by phone at (800) 599-0020 or (213) 673-9393.