



## ACH File Requirements

### Update

We are implementing updates to ACH file formatting requirements to enhance security and reduce the risk of fraud, specifically related to unauthorized redirection of funds.

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#### For Payroll ACH File Originators

##### What is Changing

Effective June 19, 2026, all ACH files submitted for payroll must include:

- **Company Entry Description field: PAYROLL**

##### Definition

The term **PAYROLL** is the standard description used for **PPD credit entries** related to:

- Wages
- Salaries
- Other similar employee compensation

##### Why This Matters

This requirement is being introduced to:

- Strengthen fraud monitoring controls
- Help identify legitimate payroll transactions
- Reduce the risk of payroll redirection fraud

##### What You Need to Do

- Review your ACH file setup or software templates
  - Ensure the Company Entry Description field reflects **PAYROLL** for all payroll files
  - Coordinate with your payroll provider or software vendor if updates are needed
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#### For Purchasing ACH File Originators

##### What is Changing

Effective June 19, 2026, all ACH files submitted for purchasing transactions must include:

- **Company Entry Description field: PURCHASE**

##### Definition

For this purpose:

- An **e-commerce purchase** is defined as a **debit entry authorized by a consumer Receiver** for online purchases of goods

- This includes:
  - One-time purchases
  - Recurring purchases initially authorized online
- Transactions should use:
  - **WEB Debit SEC Code**, or
  - **PPD or TEL Debit SEC Codes** (only where permitted under Standing Authorization rules)

### **Why This Matters**

This change is intended to:

- Improve identification of purchase-related transactions
- Enhance fraud detection and prevention capabilities
- Reduce unauthorized transaction risk

### **What You Need to Do**

- Update ACH file templates to reflect **PURCHASE** in the Company Entry Description field
- Confirm correct SEC codes are being used for transactions
- Work with your vendor or internal team to ensure compliance

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### **Support**

If you have questions or need assistance updating your ACH files, please contact:

- First Community Banks Treasury Management Team
- 361-888-3737
- [treasurymanagement@fcbot.com](mailto:treasurymanagement@fcbot.com)

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We appreciate your prompt attention to these updates as we continue working to protect your business and the payments system from fraud.

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