



Annual Notice - NACHA Rules & ACH Compliance



What is NACHA?

The National Automated Clearinghouse Association (NACHA) oversees the ACH Network, while also providing Education, Rulemaking, and Advisory Services.

Why Operating Rules Matter

Everyone who utilizes the ACH Network, from consumers and financial institutions to businesses and governments, has responsibilities. These rules ensure efficient and safe operation of the ACH Network.

NACHA revises rules on an annual basis and publishes the amendments for education.

Reminders for Originators

ACH Returns

When an ACH Return Report is received, Originators must review the reason for return and take corrective account, if necessary.

Notification of Change

A Notification of Change Report is sent when an ACH transaction was accepted but contained incorrect account information.

Originators must review the report and take corrective action before initiating another payment to the recipient.

Reversals

Reversal Entries can be initiated when an ACH transaction is transmitted in error. The Originator must notify the receiver of the entry before submitting a reversal. Reversal can be initiated up to 5 business days after the original transaction's settlement date.

The Company Entry Description must contain the word "REVERSAL". All other transaction information must match the original entry.

Authorizations

Originators are responsible for obtaining Debit/Credit Authorization from a receiver before submitting any ACH transaction. For recurring transactions, Originators are required to communicate with the receiver regarding any changes in date or amount.

Amount changes are to be communicated, in writing, at least 10 calendar days prior to the next transaction. Date changes are to be communicated, in writing, at least 7 calendar days before the next transaction

Pre-Notifications

Pre-Notifications are zero-dollar entries that can be initiated to verify account information prior to sending a dollar-amount transaction.

Although Pre-Notes are optional, they must be sent at least 3 business days prior to a dollar-amount transaction.

Data Security

Originators are responsible for commercially reasonable method for secure storage of data and other sensitive documents

Forthcoming Revisions in 2026

New Company Entry Descriptions

Effective March 20th, 2026

Payroll

This rule enacts a new description for Prearranged Payments and Deposits (PPD) related to payment of salaries and wages, among other forms of compensation. The Company Entry Description field in ACH Batches must contain the description PAYROLL, instead of ACH BATCH.

Purchase

This amendment provides a new description for e-commerce purchases; the Company Entry Description field must contain the description PURCHASE, instead of ACH BATCH.

Fraud Monitoring by Large Originators, TPSPs, and TPSs (Phase 1)

Effective March 20th, 2026

Originators with an annual ACH origination volume in 2023 of 6 million or greater will be required to implement risk-based procedures with the intention to recognize potential fraudulent ACH Entries. Procedures should be updated annually and thoroughly communicated to all appropriate parties.

The purpose of this amendment is to reduce successful fraud attempts and form more efficient monitoring of unauthorized entries.

NACHA Rules currently require Originators to utilize a reasonable fraud detection system for Micro-Entries and WEB Debits. This is intended to reduce occurrences of unauthorized debits from Web-Initiated transaction.

Fraud Monitoring by all Other Originators, TPSP, and TPS Effective June 22nd, 2026

All other Originators will be required to implement risk-based procedures with the intention to recognize potential fraudulent ACH Entries. Procedures should be updated annually and thoroughly communicated to all appropriate parties.

The purpose of this amendment is to reduce successful fraud attempts and form more efficient monitoring of unauthorized entries.

NACHA Rules currently require Originators to utilize a reasonable fraud detection system for Micro-Entries and WEB Debits. This is intended to reduce occurrences of unauthorized debits from Web-Initiated transaction.

For more information, please visit <https://www.nacha.org>



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