

PPD-Credit Entries



Prearranged Payment Or Deposit Entry (PPD) - Credit Entries

What Is PPD?

A PPD Entry is a credit or debit initiated by an organization after receipt of an authorization from a consumer to transfer funds to or from the consumer's account.

How Do PPD Credits Work?

A company (also called the originator) receives a written, signed (or similarly authenticated) authorization from a consumer (also called the receiver) giving the originator permission to send a credit entry to their account.

What Types Of Businesses Can Use PPD Credits?

Almost any type of business can use PPD Credit entries. Following are some examples of uses:

- Direct deposit of payroll
- Direct deposit of Social Security or SSI
- Expense reimbursements, pensions dividends and bonuses
- Funding branches, franchises or agents
- Annuity payments
- Diversion of funds directly to a savings or investment account

Benefits Of Using PPD Credits To The Company

- Reduced cost per transaction versus the cost of issuing a check
- Eliminates the cost of replacing lost checks
- Guaranteed payment date/time to employees
- Reduces the administrative burden of processing payments

Additional PPD Facts

- Businesses can save anywhere from \$0.50 to \$1.25 per payment by using direct deposit instead of checks.



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Interested in learning how PPD Credits can help your company? Contact ACH Direct at sales@achdirect.com or call 866.290.5400. For compliance requirement information on PPD, please consult the *NACHA Operating Rules and Guidelines*.