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.

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.