

# 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](mailto:sales@achdirect.com) or call 866.290.5400. For compliance requirement information on PPD, please consult the *NACHA Operating Rules and Guidelines*.