

CIBM Bank is providing this newsletter to inform our clients of important banking regulations, fraud prevention tips, and general information.

Upcoming 2026 ACH Rule Changes via NACHA.org

Standard Company Entry Descriptions – March 20, 2026

The Standard Company Entry Descriptions Rule (the Rule) will establish two new Company Entry Descriptions, PAYROLL and PURCHASE. The PAYROLL Company Entry Description must be used for ACH credits bearing the PPD Standard Entry Class Code that are for the payment of wages, salaries, and other similar types of compensation. The objective of adding PAYROLL as the Company Entry Description is to reduce the incidence of fraud involving payroll redirections. RDFIs that monitor inbound ACH credits will have better information regarding new or multiple payroll payments to an account.



The Rule will also establish the Company Entry Description PURCHASE, which must be used for e-commerce purchases. An e-commerce purchase will be defined as a debit entry authorized by a consumer Receiver for the online purchase of goods. The new Company Entry Description will enable the identification of such e-commerce transactions. The Rule defines e-commerce purchases for the purpose of using the new Company Entry Description.

Fraud Monitoring by Originators, Third-Party Service Providers/Senders and ODFIs – June 19, 2026

The Fraud Monitoring by Originators, Third-Party Service Providers/Third-Party Senders and ODFIs Rule (the Rule) will require each non-consumer Originator, ODFI, Third-Party Service Provider, and Third-Party Sender to establish and implement risk-based processes and procedures reasonably intended to identify ACH entries initiated due to fraud. Each of these parties will need to review at least annually their processes and procedures and make appropriate updates to address evolving risks. The objective of the Rule is to reduce the incidence of successful fraud attempts through regular fraud detection monitoring.

Originators, Third-Party Service Providers, and Third-Party Senders: These entities may need to implement fraud detection processes and procedures if they are not doing so currently. There may be less of an impact on those that have already implemented commercially reasonable fraud detection for WEB debits and/or for Micro-Entries.

ODFIs: ODFIs may need to update their fraud detection processes and procedures to include credit entries, if these entries are not currently part of their review process.

Do you know your company's SEC codes?

All ACH transactions are sent with a selected SEC code (Standard Entry Class Codes) in your online banking. As an ACH Originator with CIBM Bank, you were onboarded with SEC codes personalized to your needs. It is the responsibility of the originator to use the correct SEC codes for the specific payment types per NACHA rule

Here are the common SEC codes and how they should be used:

CCD – Corporate Credit or Debit Entry for Non-Consumer use. Think CCD = Corporate! Used for invoice payments, bill collections (from other companies), Business-to-Business (B2B) transfers, etc.

PPD – Pre-arranged Payment or Deposit for Consumer use. Think PPD=Personal! Used for Payrolls, bill collections (from individuals), bonus payments, etc.

TEL – Telephone Initiated Entry for Consumer use. Used for ACH debit authorizations obtained via telephone. These authorizations must be obtained over a recorded line and stored according to NACHA guidelines.

WEB – Internet Initiated Entry for Consumer use. Used for ACH debit authorizations obtained over the internet. These authorizations must be signed or similarly authenticated (ex: Docusign) and stored according to NACHA guidelines.

CTX – Corporate Trade Exchange for Non-Consumer use. Mostly used for tax payments to the IRS, Treasury, or individual states.

CIBM is Proud to Offer Multiple Digital Services to Help You!

Allowing you to bank from virtually anywhere. We strongly encourage you to utilize these self-service options. Open new personal accounts right from our website! You can also access your accounts online 24/7 with online banking, the CIBM Bank app, and iTalk Telephone Banking System (800-423-0806). With all solutions you can check balances, transfer funds, make payments and deposits. It's easy and convenient.

Upcoming CIBM Bank Holiday Closings – All Branches of CIBM and the Federal Reserve will be closed.

- Monday, May 25th – Memorial Day
- Friday, June 19th - Juneteenth

CIBM Bank takes your security seriously: CIBM Bank is committed to protecting your personal and account information. We have account monitoring systems and other controls in place to recognize and help prevent fraud. We will never attempt to gain your personal or account information via email, text message or phone calls. Attempts such as these should be considered fraud. If you are contacted in this manner or believe you are the victim of bank fraud, contact us immediately.