



REQUIREMENTS FOR OPENING A TRUST AND BUSINESS ACCOUNT

The SABFS has indicated that a sheriff should keep two distinctive bookkeeping systems, namely trust and business accounts. The opening, running and reporting of these accounts are regulated by the Sheriffs Act. Section 22 in particular is the guiding section on the issue of the Trust Funds handled by sheriffs.

Accounts for trust moneys - Section 22 of the Act

(1) Every sheriff shall open and keep a separate trust account, which shall contain a reference to this subsection, with a banking institution or building society, and shall forthwith deposit therein the moneys held or received by him on account of any person.

(2)(a) A sheriff may invest in a separate savings or other interest-bearing account opened by him with a banking institution or building society any money deposited in his trust account and not immediately required for any particular purpose.

(b) A savings or other interest-bearing account referred to in paragraph (a) shall contain a reference to this subsection.

(3) The amount standing to the credit of an account opened by a sheriff in terms of subsection (1) or (2), shall not form part of the assets of that sheriff or, if he or she dies or becomes insolvent, of his or her deceased or insolvent estate.

(4) Interest on money in an account mentioned in subsection (1) or (2) shall, unless the person on whose behalf the sheriff is holding or has received those moneys, in writing indicates otherwise, be paid in the prescribed manner to the Fund by the sheriff concerned: Provided that, before a sheriff pays the interest to the Fund, he or she may deduct his or her expenses incurred in respect of his or her trust account from the interest accrued on the trust account in accordance with a tariff and procedure prescribed by the Board.

The interest earned in the trust account of the sheriff is paid over annually in the prescribed manner and is the funding source of the Fidelity Fund.

Establishment and control of Fidelity Fund for Sheriffs

(1) There is hereby established a fund to be known as the Fidelity Fund for Sheriffs, and into which shall be paid

- a) interest paid to the Fund in terms of section 22 (4);
- b) the prescribed contribution referred to in section 30 (1) (c) (ii) or 31 (2);
- c) interest derived from the investment of moneys in the Fund;
- d) moneys recovered on behalf of the Fund by virtue of the provisions of section 39;
- e) moneys mentioned in section 41 (2);
- f) moneys which may accrue to the Board from any other source.

(2) The Fund shall be controlled and managed by the Board.

(3) (a) Moneys forming part of the Fund shall, until spent or invested, be paid into and kept in an account opened with a banking institution or building society.

(b) Such account shall be called the Fidelity Fund Account for Sheriffs.