

Inspector General Report Reveals \$4.1 Million Funding Gap in Agriculture Revolving Fund

Funding delays, procedural issues, and unstable revenue sources cited as key reasons for the shortfall; the Dept. of Agriculture commits to corrective measures by 2025

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The V.I. Department of Agriculture on St. Croix. By. WTJX

A recent inspection conducted by the Office of the Virgin Islands Inspector General (OIG) uncovered a significant funding shortfall in the Virgin Islands Department of Agriculture's Revolving Fund. According to the report, over the six-year period from fiscal years 2016 to 2021, VIDA did not receive \$4.125 million in funding mandated by law, impacting its ability to fulfill annual goals and its broader mission?.

The Agriculture Revolving Fund, established under Virgin Islands law, is designed to support agricultural development, including purchasing equipment, seeds, and fertilizers, as well as promoting farming initiatives. According to the report, VIDA did not receive \$2.125 million from the General Fund or \$2 million from the Tourism Advertising Revolving Fund during the inspection period?.

The Inspector General noted several reasons for the funding shortfall, including failure to submit required funding requests on time, lack of awareness among VIDA staff about funding protocols, and the instability of the Tourism Advertising Revolving Fund in certain fiscal years. Additionally, contributions from the Horse Racetrack Casino Revenue Fund ceased entirely due to operational shutdowns?.

[\[Read the Report\]](#)

The Revolving Fund mandates an annual \$500,000 contribution from the General Fund, but VIDA received only \$875,000 of the expected \$3 million during the inspection period. For fiscal years 2016 to 2018, no appropriations were made, and a portion of the funding for 2021 was not disbursed due to missing requests?.

From the Tourism Advertising Revolving Fund, VIDA was entitled to receive \$1 million annually. However, contributions in 2017, 2018, 2020, and 2021 amounted to only \$500,000 each year, resulting in a \$2 million shortfall. The instability of the Tourism Fund in fiscal year 2018 and late funding requests in subsequent years contributed to these discrepancies?.

Despite the funding challenges, VIDA utilized over \$3 million from the Revolving Fund during the inspection period. These expenditures complied with laws governing the fund's use, focusing on agricultural development and operational needs. Notably, no impropriety was found in how the funds were spent?.

The Inspector General recommended that VIDA improve internal controls and ensure staff are trained on funding protocols. The department has agreed to these recommendations and plans to hire a financial/fiscal director to oversee the fund's management. Comprehensive training for the new hire, along with other employees, will include procedures for requesting and using appropriated funds. VIDA said it aims to implement these measures by January 2025?.

While the report noted critical challenges, it also underscored the department's commitment to addressing these issues. VIDA has acknowledged the importance of adhering to funding mandates and ensuring timely requests.