

The B612 Foundation – A Nonprofit to Protect the Earth from Asteroids

The B612 Foundation¹ is the first privately funded deep space mission. Its mission is to launch a space telescope into orbit around the sun to discover near-Earth asteroids. The B612 is to find (1) asteroids on a collision course with Earth and (2) asteroids that will pass so near to Earth that they can be explored and mined.

B612's status as a 501(c)(3) organization is unusual; although B612 fits the technical definition of a 501(c)(3), that status raises questions about private inurement at the beginning of a space-exploration age.

Nonprofit organizations fill gaps in our society that the government and for-profit sectors do not fill. Nonprofits may often obtain greater funding if donations to them are tax exempt, which occurs only when they are exempt under 501(c)(3). This requires that a nonprofit's purpose qualify as exempt under the Internal Revenue Code, and the organization must be organized and operated exclusively for that exempt purpose. And the organization must provide a public benefit and not be for private inurement.

The B612 Foundation seems to meet these criteria. B612 fills a gap caused by NASA funding restrictions and the lack of incentives that for-profit businesses have to undertake this type of mission. Asteroid hunting is just not big business. B612 qualifies as a 501(c)(3) because the organization's purpose is scientific (space exploration) and it is organized and operated exclusively for that purpose (discovering asteroids). Locating near-Earth asteroids could also benefit the public by helping divert an asteroid on a collision course with Earth, which might mean helping avoid a major disaster or even extinction of the human race. Thus, the nonprofit form seems to have the optimal structure for obtaining the funding for its mission.

There is a slight hiccup: the potential for private inurement.

While it may seem odd that private inurement concerns would arise with asteroid hunters, recall that B612 is not just about saving humanity. Part of the organization's mission includes locating minable asteroids. In an age where natural resources are dwindling, locating near-Earth asteroids could prove profitable,² particularly if the resources recovered are rare on Earth. B612 provides a direct route to locating those asteroids. A for-profit business could therefore give tax-exempt donations to B612 while at the same time receiving the benefit of knowing where the resource-rich asteroids are. Although the organization itself is not necessarily receiving the benefit of its discoveries, savvy businesses interested in new ways of developing resources would receive that benefit. Thus, although not technically considered private inurement, for-profit businesses could use B612 for their own benefit.

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¹ <http://b612foundation.org>.

² For an example of a company wanting to take this risk, see *Planetary Resources*, <http://www.planetaryresources.com>.