SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2000

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____________________ to ____________________

Commission File No. 0-18492

TEAMSTAFF, INC.
(Exact name of registrant as specified in its charter)

New Jersey	22-1899798
State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

300 Atrium Drive, Somerset, NJ	08873
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (732)748-1700

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

7,956,319 shares of Common Stock, par value $.001 per share, were outstanding as of February 9, 2001.

TEAMSTAFF, INC. AND SUBSIDIARIES
FORM 10-Q

December 31, 2000

Table of Contents

TEAMSTAFF, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

ASSETS	DECEMBER 31, 2000	SEPTEMBER 30, 2000
	(unaudited)	
CURRENT ASSETS:		
Cash and cash equivalents	$6,432,000	$4,285,000
Restricted cash	375,000	375,000
Accounts receivable, net of allowance	22,329,000	21,117,000
Deferred tax asset	1,413,000	1,566,000
Other current assets	747,000	955,000
Total current assets	31,296,000	28,298,000
EQUIPMENT AND IMPROVEMENTS:		
Equipment	4,620,000	4,340,000
Leasehold improvements	211,000	209,000
	4,831,000	4,549,000
Accumulated depreciation and amortization	3,580,000	3,459,000
	1,251,000	1,090,000
DEFERRED TAX ASSET	153,000	153,000
INTANGIBLE ASSETS, net of amortization	19,625,000	19,633,000
OTHER ASSETS	300,000	340,000
	$52,625,000	$49,514,000

The accompanying notes to consolidated financial statements are an integral part of these consolidated balance sheets.

TEAMSTAFF, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

LIABILITIES AND SHAREHOLDERS' EQUITY	DECEMBER 31, 2000	SEPTEMBER 30, 2000
	(unaudited)	
CURRENT LIABILITIES:		
Current portion of long-term debt	$1,934,000	$1,938,000
Accounts payable	8,908,000	7,062,000
Accrued expenses and other current liabilities	17,137,000	16,233,000
Total current liabilities	27,979,000	25,233,000
LONG-TERM DEBT, net of current portion	5,606,000	6,222,000
Total liabilities	33,585,000	31,455,000
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY:		
Common stock, $.001 par value; authorized 40,000,000 shares; issued 7,991,719 and 7,981,605; outstanding 7,956,319 and 7,946,205 at December 31, 2000 and September 30, 2000	8,000	8,000
Additional paid-in capital	21,637,000	21,297,000
Accumulated deficit	(2,469,000)	(3,110,000)
Treasury stock	(136,000)	(136,000)
	19,040,000	18,059,000
	$52,625,000	$49,514,000

The accompanying notes to consolidated financial statements are an integral part of these consolidated balance sheets.

TEAMSTAFF, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	For the three months ended December 31, 2000	1999
REVENUES	$164,699,000	$82,222,000
DIRECT EXPENSES	157,708,000	77,338,000
Gross profit	6,991,000	4,884,000
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	5,262,000	3,669,000
DEPRECIATION AND AMORTIZATION	352,000	310,000
Income from operations	1,377,000	905,000
OTHER INCOME (EXPENSE):		
Interest income	200,000	146,000
Interest expense	(481,000)	(304,000)
	(281,000)	(158,000)
Income before income taxes	1,096,000	747,000
INCOME TAX EXPENSE	(455,000)	(319,000)
Net income	$641,000	$428,000
EARNINGS PER SHARE - BASIC	$0.08	$0.05
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC	7,956,099	7,958,245
EARNINGS PER SHARE - DILUTED	$0.08	$0.05
WEIGHTED AVERAGE NUMBER OF COMMON SHARES AND EQUIVALENTS OUTSTANDING - DILUTED	7,982,434	7,972,409

The accompanying notes to consolidated financial statements are an integral part of these consolidated statements.

TEAMSTAFF, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the three months ended December 31, 2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$641,000	$428,000
Adjustments to reconcile net income to net cash provided by operating activities, net of acquired businesses-		
Deferred income taxes	350,000	249,000
Depreciation and amortization	352,000	310,000
Provision for doubtful accounts	70,000	54,000
Non-cash compensation expense	0	189,000
Changes in operating assets and liabilities, net of acquired businesses-		
Increase in accounts receivable	(1,283,000)	(1,984,000)
Decrease in other current assets	341,000	123,000
Decrease in other assets	49,000	9,000
Increase in accounts payable, accrued expenses and other current liabilities	2,264,000	1,592,000
Net cash provided by operating activities	2,784,000	970,000
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of HR2, net of cash acquired	195,000	0
Purchases of equipment and leasehold improvements	(252,000)	(130,000)
Net cash used in investing activities	(57,000)	(130,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on long-term debt	(408,000)	(250,000)
Payments on revolving line of credit	(201,000)	(3,000)
Repayments on capital leases obligations	(11,000)	(9,000)
Net proceeds from issuance of common stock and exercise of common stock options and warrants - net	40,000	0
Repurchase of common shares	0	(17,000)
Net cash used in financing activities	(580,000)	(279,000)
Net increase in cash and cash equivalents	2,147,000	561,000
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4,285,000	1,948,000
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$6,432,000	$2,509,000
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for-		
Interest	$246,000	$150,000
Taxes	$48,000	$229,000

The accompanying notes to consolidated financial statements are an integral part of these consolidated statements.

TEAMSTAFF, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

(1) ORGANIZATION AND BUSINESS

TeamStaff, Inc. (referred to as the "Company"), a New Jersey Corporation, provides a broad spectrum of human resource services including professional employer organization ("PEO"), payroll processing, human resource administration and placement of temporary and permanent employees.

Effective April 8, 2000, the Company acquired substantially all of the assets of the professional employer organization ("PEO") division of Outsource International, Inc. ("Outsource") which had operated under the trade name "Synadyne".

Effective June 2, 2000 the Company effected a reverse stock split at a rate of one (1) new share for each existing 3.5 shares of TeamStaff common stock. All common shares and per share amounts in the accompanying financial statements have been adjusted retroactively to effect the reverse stock split.

Effective October 2, 2000, the Company acquired HR2, Inc. in a stock purchase transaction. The Company acquired all of the capital stock of HR2 in exchange for an aggregate of 89,224 shares of the Company's Common Stock and $100,000 in cash. HR2, Inc. is a professional employer organization which operates primarily in Massachusetts, Rhode Island and New Hampshire.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION-

The consolidated financial statements included herein have been prepared by the registrant, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. These consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's latest annual report on Form 10-K. This financial information reflects, in the opinion of management, all adjustments necessary to present fairly the results for the interim periods. The results of operations for such interim periods are not necessarily indicative of the results for the full year.

The accompanying consolidated financial statements include those of TeamStaff Inc., and its wholly-owned subsidiaries. The results of operations of acquired companies have been included in the consolidated financial statements from the date of acquisition. All significant intercompany balances and transactions have been eliminated in the consolidated financial statements.

EARNINGS PER SHARE-

Basic earnings per share ("Basis EPS") is calculated by dividing income available to common shareholders by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share ("Diluted EPS") is calculated by dividing income available to common shareholders by the weighted average number of common shares outstanding for the period adjusted to reflect potentially dilutive securities.

The following table reconciles net income and share amounts used to calculate basic earnings per share and diluted earnings per share:

	Three Months Ended December 31,	
	2000	1999
Numerator:		
Net income	$641,000	$428,000
Denominator:		
Weighted average number of common shares Outstanding- basic	7,956,099	7,958,245
Incremental shares for assumed conversions of stock options/warrants	26,335	14,164
Weighted average number of common and equivalent shares outstanding-diluted	7,982,434	7,972,409
Earnings per share-basic	$0.08	$0.05
Earnings per share-diluted	$0.08	$0.05

Stock options and warrants outstanding at December 31, 2000 to purchase 453,798 shares of common stock were not included in the computation of diluted earnings per share for the three months ended December, 2000 as they were antidilutive.

(3) INCOME TAXES:

The Company has recorded a $1,566,000 and a $1,719,000 deferred tax asset at December 31, 2000 and September 30, 2000, respectively. This represents management's estimate of the income tax benefits from temporary differences between the financial statement and tax bases of certain assets and liabilities, for which management believes utilization to be more likely than not. Management believes the Company's operations can generate sufficient taxable income to realize this deferred tax asset.

(4) DEBT:

The Company has a long-term credit facility from FINOVA Capital Corporation totaling $12.5 million. Substantially all assets of the Company secure the credit facility. The facility is comprised of (i) two three-year term loans each for $2.5 million, with a five-year amortization, at prime plus 3% (12.50% at December 31, 2000); (ii) a three-year term loan for $4.0 million, with a five-year amortization, at prime plus 3% (12.50% at December 31, 2000) and (iii) a $3.5 million revolving line of credit at prime plus 1% (10.50% at December 31, 2000) secured by certain accounts receivable of the Company. The credit facility is subject to success fees for each of the $2.5 million term loans in the amounts of $200,000, $225,000 and $250,000 due on the anniversary dates of the loan. In addition the $4.0 million term loan is subject to annual success fees at the beginning of each loan year in the amount of $500,000. The credit facility is subject to certain covenants including, but not limited to, a debt to net worth ratio, a minimum net worth and a minimum debt service coverage ratio, as defined. On January 24, 2001, the Company remitted success fees in the amount of $225,000.

In connection with the Synadyne acquisition the two three-year term loans, each for $2.5 million, have been extended to April 30, 2003 and March 1, 2003. The $4.0 million term loan consists of no principal payments for the first six months and expires on April 30, 2003, with a balloon payment at the end of the three years. The revolving line of credit expires on April 30, 2003.

Total outstanding debt as of January 31, 2001 and December 31, 2000 was $7,382,000 and $7,540,000 respectively.

(5) ACQUISITION OF SYNADYNE ASSETS:

On April 7, 2000 TeamStaff, Inc. entered into an Asset Purchase Agreement to acquire substantially all of the assets of the professional employer organization ("PEO") business of Outsource International, Inc. ("Outsource") which had operated under the tradename "Synadyne". The transaction was effective April 8, 2000. TeamStaff acquired the tradename "Synadyne" as part of the transaction, as well as all of the customer contracts of the PEO business. Under the terms of the Asset Purchase Agreement, TeamStaff paid an aggregate purchase price of $3,500,000. The agreement also provides for an additional potential payment in one year of up to $1,250,000 provided that the former clients of Outsource have at least 9,500 worksite employees as of March 31, 2001. In the event there are less than 9,500 employees, the amount of the earnout will be reduced by a pre-determined formula. As of September 30, 2000 the number of worksite employees was approximately 8,000, which is subject to audit by Outsource. Based upon the 8,000 worksite employees the earnout would be reduced by approximately $750,000. Any subsequent payment would be recorded when and if made.

(6) ACQUISITION OF HR2:

Effective October 2, 2000, the Company acquired HR2, Inc. in a stock purchase transaction. The Company acquired all of the capital stock of HR2 in exchange for an aggregate of 89,224 shares of the Company's Common Stock and $100,000 in cash. HR2, Inc. is a professional employer organization which operates primarily in Massachusetts, Rhode Island and New Hampshire.

(7) PROPOSED PARADYME ACQUISITION:

As previously announced, in November, 2000, the Company entered into a letter of intent to acquire Paradyme Human Resources, Inc. To date, the parties have been involved in due diligence matters and continue to discuss the structure of the transaction. The letter of intent may be terminated by either party. There can be no assurance that any transaction will be consummated.

(8) PROPOSED BRIGHTLANE MERGER:

On November 27, 2000, TeamStaff announced a proposed business combination with privately held BrightLane.com, Inc. As currently proposed, a subsidiary of TeamStaff will merge with BrightLane.com and issue to the shareholders of BrightLane approximately 8,066,000 shares of TeamStaff common stock. BrightLane.com will provide nearly $19,000,000 in cash, a Business-To-Business Internet portal and strategic partners, which are expected to generate substantial opportunities to grow the combined businesses. The Business portal is powered by proprietary technology that will offer automated services and product offerings to the over 4,000 small business customers and the approximately 55,000 employees-paid base of the combined entity.

As previously announced, Donald W. Kappauf, President and CEO of TeamStaff, will remain as President and CEO, Donald T. Kelly will remain as Vice President and CFO, while T. Stephen Johnson will become Chairman of the Board of the merged entity. The Board of Directors will consist of five members of each of the original boards of BrightLane and TeamStaff plus one additional Board member to be mutually selected by the parties.

TeamStaff cautions that a definitive agreement has not been signed with BrightLane, and the principle terms of the transaction, including the number of shares to be issued by TeamStaff to the shareholders of BrightLane.com, could change. In addition, the transaction requires shareholder approval by both companies and is subject to final due diligence, execution of a definitive agreement and customary closing conditions. The Company expects to execute a definitive agreement on or about March 1, 2001.

(9) SEGMENT REPORTING:

The Company operates three different lines of business: professional employer organization (PEO), temporary staffing and payroll services.

The PEO segment provides services such as payroll processing, personnel and administration, benefits administration, workers' compensation administration and tax filing services to small business owners. Essentially, in this business segment, the Company provides services that function as the human resource department for small to medium sized companies wherein the Company becomes a co-employer.

The Company provides temporary staffing for technical employees such as engineers, information systems specialists and project managers and for medical imaging professionals with hospitals, clinics and therapy centers. Temporary staffing enables clients to attain management and productivity goals by matching highly trained professionals and technical personnel to specific project requirements.

Through its payroll services business segment, the Company provides basic payroll services to its clients, 70% of which are in the construction industry. Services provided include the preparation of payroll checks, filing of taxes, government reports, W-2's, remote processing directly to the client's offices and certified payrolls.

All corporate expenses, amortization of recently acquired goodwill, interest expense as well as depreciation on corporate assets and miscellaneous charges are reflected in a separate unit called corporate.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The Company evaluates the performance of its business lines based on pre-tax income.

The following table represents the condensed financial results for the three months ended December 31, 2000 and 1999 for each of the Company's segments:

FOR THE THREE MONTHS ENDED DECEMBER 31,	PROFESSIONAL EMPLOYER SERVICES	TEMPORARY STAFFING	PAYROLL SERVICES	CORPORATE	CONSOLIDATED
2000					
Revenues	$146,576,000	$16,935,000	$1,188,000	$0	$164,699,000
Income/(Loss) before income taxes	430,000	1,817,000	615,000	(1,766,000)	1,096,000
1999					
Revenues	$70,119,000	$11,067,000	$1,036,000	$0	$82,222,000
Income/(Loss) before income taxes	379,000	1,302,000	463,000	(1,397,000)	747,000

The Company has no revenue derived outside of the United States.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Certain statements contained herein constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "1995 Reform Act"). TeamStaff, Inc. desires to avail itself of certain "safe harbor" provisions of the 1995 Reform Act and is therefore including this special note to enable the Company to do so. Forward-looking statements included in this report involve known and unknown risks, uncertainties, and other factors which could cause the Company's actual results, performance (financial or operating) or achievements to differ from the future results, performance (financial or operating) achievements expressed or implied by such forward-looking statements. Such future results are based upon management's best estimates based upon current conditions and the most recent results of operations. These risks include, but are not limited to, risks associated with risks undertaken in connection with acquisitions, risks from potential workers' compensation claims and required payments, risks from employer/employee suits such as discrimination or wrongful termination, risks associated with payroll and employee related taxes which may require unanticipated payments by the Company, liabilities associated with the company's status under certain federal and state employment laws as a co-employer, effects of competition, the Company's ability to implement its internet based business and technological changes and dependence upon key personnel.

The Company's revenues for the three months ended December 31, 2000 and 1999 were $164,699,000 and $82,222,000, respectively, which represents an increase of $82,477,000 or 100.3%. Of this increase, $56,287,000 and $9,682,000 were due to the acquisitions of Synadyne and HR2, respectively, with the balance due to internal growth. This later growth reflects a 20.0% increase over last year.

Direct expenses were $157,708,000 for the three months ended December 31, 2000 and $77,338,000 for the comparable period last year, representing an increase of $80,370,000 or 103.9%. As a percentage of revenue, direct expenses for the three months ended December 31, 2000 and 1999 were 95.8% and 94.1%, respectively. These increases represent the higher direct expenses associated with the increased PEO business.

Gross profits were $6,991,000 and $4,884,000 for the quarters ended December 31, 2000 and 1999, respectively, an increase of $2,107,000 or 43.1%. Gross profits, as a percentage of revenue, were 4.2% and 5.9% for the quarters ended December 31, 2000 and 1999, respectively. The gross profit as a percentage of revenue declined because a substantial portion of the Company's revenue growth occurred in the PEO line of business, which has lower margins but generates higher dollars of gross profit.

Selling, general and administrative ("SG&A") expenses for the quarters ended December 31, 2000 and 1999 were $5,262,000 and $3,669,000, respectively, representing an increase of $1,629,000 or 43.4%. This increase is primarily attributed to $1,207,000 of SG&A expenses related to the Synadyne and HR2 acquisitions, leaving the remaining net increase of 10.5% attributed to the build-up in the PEO sales force, the additional overhead necessary to support the increased growth in the Temporary Staffing businesses and other expenses.

Depreciation and amortization for the quarters ended December 31, 2000 and 1999 increased by $42,000 over the similar period last year from $310,000 to $352,000. This increase is primarily attributed to the additional amortization of goodwill related to the acquisitions of Synadyne and HR2.

Interest and other income increased $54,000 from $146,000, in the corresponding period in 1999, to $200,000 due to the investment of additional cash generated over the year. Interest expense for the quarter ended December 31, 2000 increased $177,000 to $481,000 from $304,000 in the corresponding period in 1999 due to the additional debt associated with the Synadyne acquisition offset by the paydown of prior debt .

Income taxes for the quarter ended December 31, 2000 were $455,000 versus $319,000 for the similar period last year. The Company's effective tax rate was 42% and 43% for the three months ended December 31, 2000 and 1999, respectively.

Net income for the quarter ended December 31, 2000 was $641,000, or $0.08 per fully-diluted share, as compared to $428,000, or $0.05 per fully-diluted share for the quarter ended December 31, 1999.

In July 2000, the Company made claims for indemnification against the selling shareholders of the TeamStaff Companies, which were acquired by the Company in January 1999. The claims consisted of various liabilities and expenses incurred based on breaches of representations and warranties contained in the acquisition agreement. The Sellers disputed these claims and attempted to assert claims of their own. Subsequent to December 31, 2000, the Company has since entered into a settlement agreement with the former owners of the TeamStaff Companies. Under the settlement agreement, the former owners agreed to be liable and responsible for certain open liabilities and agreed that certain shares of the former owners, which had been held in escrow since the acquisition, were to be cancelled and the Company agreed to release a number of the escrow shares to the former owners. Each party agreed to release each other from all other claims under the acquisition agreements. There is no impact on the Company's earnings as a result of the agreement.

LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities improved in the first three months of fiscal 2001 to $2,784,000 from $970,000 in the same period of fiscal 2000. The increase in cash flows from operations is attributable to the continued earnings improvement of the Company adjusted for non-cash charges such as depreciation and amortization, an increase in accounts payable, accrued expenses and other current liabilities offset by an increase in accounts receivable. Cash outflow for the purchase of equipment and improvements was $252,000 in the three months ended December 31, 2000 compared to $130,000 in the three months ended December 31, 1999. The increased spending reflects investments made in Synadyne to enable it to operate independently from Outsource International, Inc., the company from whom TeamStaff acquired the Synadyne assets. The net cash from financing activities decreased in the three months ended December 31, 2000, compared to the three months ended December 31, 1999 due to the payments made against the Company's higher level of debt. At December 31, 2000, the Company had cash of $6,432,000, restricted cash of $375,000 and net accounts receivable of $22,329,000.

The Company has a long-term credit facility from FINOVA Capital Corporation totaling $12.5 million. The facility is comprised of (i) two three-year term loans each for $2.5 million, with a five-year amortization, at prime plus 3% (12.50% at December 31, 2000); (ii) a three-year term loan for $4.0 million, with a five-year amortization, at prime plus 3% (12.50% at December 31, 2000) and (iii) a $3.5 million revolving line of credit at prime plus 1% (10.50% at December 31, 2000) secured by certain accounts receivable of the Company. The credit facility is subject to success fees for each of the $2.5 million term loans in the amounts of $200,000, $225,000 and $250,000 due on the anniversary dates of the loan. In addition the $4.0 million term loan is subject to annual success fees at the beginning of each loan year in the amount of $500,000. On January 24, 2001 the Company remitted success fees in the amount of $225,000.

In connection with the Synadyne acquisition, the two three-year term loans, each for $2.5 million, were extended to April 30, 2003 and March 1, 2003. The $4.5 million term loan consists of no principal payments for the first six months and expires on April 30, 2003, with a balloon payment at the end of the three years. The revolving line of credit expires on April 30, 2003.

Total outstanding debt as of January 31, 2001 and December 31, 2000 was $7,382,000 and $7,540,000, respectively.

On July 22, 1999 the Board of Directors authorized the Company to repurchase up to 3% of the outstanding shares of the Company's common stock subject to the approval of the Company's lenders and any regulatory approval required. As of December 31, 2000 the Company has repurchased 28,500 shares at an average cost of $3.96. The Company did not repurchase any additional shares during the most recent quarter ended December 31, 2000.

Management of the Company believes that its existing cash and available borrowing capacity will be sufficient to support cash needs for the next twelve months.

Inflation and changing prices have not had a material effect on the Company's net revenues and results of operations in the last three fiscal years, as the Company has been able to modify its prices and cost structure to respond to inflation and changing prices.

PART II

OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is engaged in litigation from time to time during the ordinary course of business in connection with employee suits, workers' compensation and other matters. The Company is engaged in no other litigation, the effect of which would be anticipated to have a material adverse impact on the Company's financial conditions or results of operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits.

None

(b) Reports on Form 8-K

None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TEAMSTAFF, INC.
(Registrant)

/s/ Donald W. Kappauf

Donald W. Kappauf
Chief Executive Officer

/s/ Donald T. Kelly

Donald T. Kelly
Chief Financial Officer

Date: February 12, 2001

3-MOS
SEP-30-2001
OCT-01-2000
DEC-31-2000
6,807,000
0
22,329,000
0
0
31,296,000
4,831,000
(3,580,000)
52,625,000
27,979,000
0
0
0
(8,000)
(19,040,000)
52,625,000
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164,699,000
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157,708,000
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0
(481,000)
1,096,000
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0
0
0
641,000
.08
.08

AMOUNT REFLECTS EPS- BASIC.