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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**  
**Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): May 17, 2011**

**TeamStaff, Inc.**

(Exact name of registrant as specified in its charter)

**New Jersey**

(State or other jurisdiction  
of incorporation)

**0-18492**

(Commission File Number)

**22-1899798**

(IRS Employer Identification No.)

**1 Executive Drive  
Somerset, NJ**

(Address of principal executive offices)

**08873**

(Zip Code)

Registrant's telephone number, including area code: **(877) 523-9897**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## **Item 2.02 Results of Operations and Financial Condition**

On May 17, 2011, TeamStaff, Inc. (the “Company”) announced by press release its financial results for its second fiscal quarter ended March 31, 2011. A copy of the press release is attached hereto as Exhibit 99.1.

The information in Item 2.02 of this Current Report shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information in Item 2.02 of this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

## **Item 8.01 Other Events**

On May 17, 2011, the Company announced by press release that its primary operating subsidiary, TeamStaff Government Solutions, Inc., has been awarded a single source blanket purchase agreement to provide services for the Department of Veterans Affairs’ Consolidated Mail Outpatient Pharmacy (CMOP) program. The full text of the press release issued by the Company in connection with this announcement is set forth as Exhibit 99.2 attached hereto.

## **Item 9.01 Financial Statements and Exhibits**

<b>Exhibit Number</b>	<b>Exhibit Title or Description</b>
99.1	Press Release dated May 17, 2011 announcing financial results.
99.2	Press Release dated May 17, 2011 announcing Department of Veterans Affairs award.

**SIGNATURE**

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, hereunto duly authorized.

TeamStaff, Inc.

By: /s/ Zachary C. Parker  
Name: Zachary C. Parker  
Title: Chief Executive Officer

Date: May 17, 2011

## EXHIBIT INDEX

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## FOR IMMEDIATE RELEASE

## TEAMSTAFF REPORTS SECOND QUARTER RESULTS

- Quarterly revenues increase 6% over comparable quarter of prior year
- Gross profit increased over 50% measured against comparable quarter of prior year
- Company maintains tight expense control, loss from operations improved by 89% over comparable quarter of prior year
- Company improves liquidity during the quarter with additional debt and equity
- Subsequent to quarter's end, Company receives major \$140 million award from Department of Veterans Affairs
- Management to conduct webcast conference call today, May 17, 2011 at 11.30 a.m. ET

Somerset, New Jersey — May 17, 2011 — TeamStaff, Inc. (Nasdaq: TSTF), a leading logistics and healthcare services provider to the Federal Government, primarily within the Departments of Defense and Veterans Affairs announced today the financial results for its second quarter ended March 31, 2011.

**Table 1 — Financial Highlights**

(\$ in thousands, except per share amounts)	Three Months Ended		Six Months Ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Operating revenues	\$ 10,444	\$ 9,795	\$ 21,019	\$ 20,588
Gross Profit	\$ 1,508	\$ 969	\$ 2,826	\$ 2,331
Gross Profit Percentage	14.4%	9.9%	13.4%	11.3%
Loss from operations	(81)	(890)	(356)	(1,521)
Loss from continuing operations	\$ (183)	\$ (983)	\$ (520)	\$ (1,634)
Net Loss	\$ (183)	\$ (1,008)	\$ (520)	\$ (2,793)
EPS (Loss) from continuing operations — basic	\$ (0.04)	\$ (0.20)	\$ (0.10)	\$ (0.33)
EPS (Loss) from discontinued operations — basic	\$ —	\$ (0.00)	\$ —	\$ (0.23)
Net Loss earnings per share — basic	\$ (0.04)	\$ (0.20)	\$ (0.10)	\$ (0.56)

Commenting on the Company's results, TeamStaff's President and Chief Executive Officer Zachary Parker stated, "The second quarter results reflect that our substantial transformation is not only well underway, but also is highly effective. During the quarter we managed to improve our top line by 6% and keep tight expense controls in place. While many government contract awards were delayed, and others were operating with reduced funding, TeamStaff weathered this period with no significant erosion to its work level or revenue stream during the quarter and was able to reduce its loss from operations by 89% after achieving an improved gross margin and significantly reducing selling general and administrative expenses."

Mr. Parker continued, "During the past 18 months, we have taken numerous steps in an effort to enhance the value of TeamStaff and have fully focused our efforts on the government services market, where we believe we have a proven track record of performance."

Mr. Parker concluded, "While the transition we've implemented at TeamStaff is far from over, I believe the Company is a much stronger and more viable entity compared to where it was one year ago. We've not only built an excellent platform for future growth opportunities, but also kept tight expense controls, secured additional capital, and successfully leveraged our core competencies and impeccable track record with our current customers. I believe our future is bright and I'm looking forward to building shareholder value."

### **Three Month Results**

Revenues for the three months ended March 31, 2011 and 2010 were \$10.4 million and \$9.8 million, respectively, which represent an increase of \$0.6 million or 6% over the prior fiscal year period. The increase in revenues is due primarily to the impact of increased overtime as well as net increases in headcount at certain Government facilities related to Federal government "out sourcing" certain positions.

Gross profit for the three months ended March 31, 2011 and 2010 was \$1.5 million and \$1.0 million, respectively which represent an increase of \$0.5 million or 50% over the prior fiscal year period. Gross profit, as a percentage of revenue, was 14.4% and 9.9%, for the three months ended March 31, 2011 and 2010, respectively. The key drivers for the period over period increase in gross profit (as a percentage of revenue) are greater overtime at certain government facilities which earn a higher gross profit margin and a reduction in direct expenses.

Selling, general and administrative ("SG&A") expenses for the three months ended March 31, 2011 and 2010 were \$1.6 million and \$1.8 million, respectively, which represent a decrease of \$0.2 million, or 11.1%. The decrease is primarily due to cost reduction initiatives, which have included: headcount reductions; a temporary furlough program; and negotiating significant cost reductions with vendors.

Loss from operations for the three months ended March 31, 2011 was \$0.1 million as compared to loss from operations for the three months ended March 31, 2010 of \$0.9 million. This represents an improvement of \$0.8 million or 89% in results from operations from the prior fiscal year period. The improvement is due to the above mentioned increase in gross profits and reduction in SG&A expenses for the three months ended March 31, 2011. Net loss for the three months ended March 31, 2011 was \$0.2 million, or \$0.04 per basic and diluted share, as compared to net loss of \$1.0 million, or \$0.20 per basic and diluted share, for the three months ended March 31, 2010.

As of March 31, 2011, the Company had \$1.3 million in cash and \$323,000 in availability under its credit facility. During the quarter, the Company and its Lender further increased the maximum availability under the Loan Agreement by an additional \$500,000 to \$3.0 million; subject to eligible receivables. The Company believes that it has adequate liquidity resources to fund operations over the next twelve months in view of the additional funding committed by the Company's Lender, the capital that was provided through the equity investments provided by members of our board and management team at the quarter's end and other assurances for future financings provided to the Company in February 2011.

### **Six Month Results**

Revenues for the six months ended March 31, 2011 and 2010 were \$21.0 million and \$20.6 million, respectively, which represent an increase of \$0.4 million or 1.9% over the prior fiscal year period. The increase in revenues is due primarily to the impact of increased overtime as well as net increases in headcount at certain Government facilities related to Federal government "out sourcing" certain positions.

Gross profit for the six months ended March 31, 2011 and 2010 was \$2.8 million and \$2.3 million, respectively which represent an increase of \$0.5 million or 22% over the prior fiscal year period. Gross profit, as a percentage of revenue, was 13.4% and 11.3%, for the six months ended March 31, 2011 and 2010, respectively. The key drivers for the period over period increase in gross profit (as a percentage of revenue) are greater overtime at certain government facilities which earn a higher gross profit margin and a reduction in direct expenses.

SG&A expenses for the six months ended March 31, 2011 and 2010 were \$3.1 million and \$3.5 million, respectively, which represent a decrease of \$0.4 million, or 11.4%. The decrease reflects cost reduction initiatives, which have included: headcount reductions; a temporary furlough program; and negotiating significant cost reductions with vendors.

Loss from operations for the six months ended March 31, 2011 was \$0.4 million as compared to loss from operations for the six months ended March 31, 2010 of \$1.5 million. This represents an improvement of \$1.1 million or 73% in results from operations from the prior fiscal year period. The improvement is due to the above mentioned increase in gross profits, reduction in SG&A expenses and no occurrence of officer severance in the six months ended March 31, 2011. Net loss for the six months ended March 31, 2011 was \$0.5 million, or \$0.10 per basic and diluted share, as compared to net loss of \$2.8 million, or \$0.56 per basic and diluted share, for the six months ended March 31, 2010. This represents a reduction in net loss of \$2.3 million or 82% primarily due to improved gross profit of \$0.5 million and reductions of \$0.4 million in SG&A expenses, as well as both officer severance in the amount of \$0.3 million and loss from discontinued operations of \$1.2 million recorded in the six months ended March 31, 2010 and not in the six months ended March 31, 2011.

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## **Conference Call and Webcast Details**

TeamStaff's management team will host a conference call for the investment community on Tuesday, May 17, 2011 at 11:30 AM ET. Interested parties may participate in the call by dialing (866) 543-6407; international callers dial (617) 213-8898 (passcode: 94282970) about 5 — 10 minutes prior to 11:30 AM EDT. The conference call will also be available on replay starting at 2:00 PM ET on May 17, 2011 and ending on May 31, 2011. For the replay, please dial (888) 286-8010 (passcode: 66650466). The access number for the replay for international callers is (617) 801-6888 (passcode: 66650466). There will be a conference call webcast at: <http://phx.corporate-ir.net/phoenix.zhtml?p=irol-eventDetails&c=115788&eventID=4039350>.

## **About TeamStaff, Inc.**

TeamStaff serves clients throughout the United States as a full-service provider of logistics and healthcare services support. TeamStaff specializes in providing high quality healthcare, logistics, and technical services to the Federal government, primarily within the Departments of Defense and Veterans Affairs. For more information, visit the TeamStaff corporate web site at [www.teamstaff.com](http://www.teamstaff.com) or the TeamStaff Government Solutions web site at [www.teamstaffgs.com](http://www.teamstaffgs.com).

## ***“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995:***

*This press release contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. When used in this report, the words “believe,” “anticipate,” “think,” “intend,” “plan,” “will be,” “expect,” and statements in this press release regarding TeamStaff, Inc.'s business which are not historical facts, are “forward-looking statements” that involve risks and uncertainties which could cause actual events or the actual future results of the company to differ materially from any forward-looking statement. Such risks and uncertainties include, among other things our ability to obtain any needed financing; our ability to attract and retain sales and operational personnel; our ability to secure contract awards, including the ability to secure renewals of contracts under which we currently provide services; our ability to enter into contracts with United States Government facilities and agencies on terms attractive to us and to secure orders related to those contracts; changes in the timing of orders for and our placement of professionals and administrative staff; the overall level of demand for the services we provide; the variation in pricing of the contracts under which we place professionals; our ability to manage growth effectively; the performance of our management information and communication systems; the effect of existing or future government legislation and regulation; changes in government and customer priorities and requirements (including changes to respond to the priorities of Congress and the Administration, budgetary constraints, and cost-cutting initiatives); economic, business and political conditions domestically; the impact of medical malpractice and other claims asserted against us; the disruption or adverse impact to our business as a result of a terrorist attack; the loss of key officers, and management personnel; the competitive environment for our services; the effect of recognition by us of an impairment to goodwill and intangible assets; other tax and regulatory issues and developments; the effect of adjustments by us to accruals for self-insured retentions; and the effect of other events and important factors disclosed previously and from time-to-time in TeamStaff's filings with the U.S. Securities Exchange Commission. For a discussion of such risks and uncertainties which could cause actual results to differ from those contained in the forward-looking statements, see “Risk Factors” in the company's periodic reports filed with the SEC. In light of the significant risks and uncertainties inherent in the forward-looking statements included herein, the inclusion of such statements should not be regarded as a representation by the company or any other person that the objectives and plans of the Company will be achieved. The forward-looking statements contained in this report are made as of the date hereof and may become outdated over time. The Company does not assume any responsibility for updating any forward-looking statements.*

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**TEAMSTAFF, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**(AMOUNTS IN THOUSANDS)**

	(unaudited) March 31, 2011	September 30, 2010
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 1,259	\$ 1,187
Accounts receivable, net of allowance for doubtful accounts of \$0 as of March 31, 2011 and September 30, 2011	11,955	11,324
Prepaid workers' compensation	547	512
Other current assets	246	344
<b>Total current assets</b>	<b>14,007</b>	<b>13,367</b>
<b>EQUIPMENT AND IMPROVEMENTS:</b>		
Furniture and equipment	177	2,259
Computer equipment	102	215
Computer software	612	960
Leasehold improvements	23	12
	914	3,446
Less accumulated depreciation and amortization	(643)	(3,112)
<b>Equipment and improvements, net</b>	<b>271</b>	<b>334</b>
<b>TRADENAMES</b>	<b>2,583</b>	<b>2,583</b>
<b>GOODWILL</b>	<b>8,595</b>	<b>8,595</b>
<b>OTHER ASSETS</b>	<b>373</b>	<b>360</b>
<b>TOTAL ASSETS</b>	<b>\$ 25,829</b>	<b>\$ 25,239</b>



**TEAMSTAFF, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(AMOUNTS IN THOUSANDS EXCEPT PAR VALUE OF SHARES)

	(unaudited) March 31, 2011	September 30, 2010
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Loan payable	\$ 1,474	\$ 362
Notes payable	1,500	1,500
Current portion of capital lease obligations	13	18
Accrued payroll	10,569	10,910
Accounts payable	1,627	1,887
Accrued expenses and other current liabilities	2,300	1,872
Liabilities from discontinued operation	238	289
<b>Total current liabilities</b>	<b>17,721</b>	<b>16,838</b>
<b>CAPITAL LEASE OBLIGATIONS, net of current portion</b>	4	8
<b>OTHER LONG TERM LIABILITY</b>	2	5
<b>Total Liabilities</b>	<b>17,727</b>	<b>16,851</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>SHAREHOLDERS' EQUITY:</b>		
Preferred stock, \$.10 par value; authorized 5,000 shares; none issued and outstanding	—	—
Common stock, \$.001 par value; authorized 40,000 shares; issued 5,642 at March 31, 2011 and 5,105 at September 30, 2010, outstanding 5,640 at March 31, 2011 and 5,103 at September 30, 2010	6	5
Additional paid-in capital	69,736	69,503
Accumulated deficit	(61,616)	(61,096)
Treasury stock, 2 shares at cost at March 31, 2011 and September 30, 2010	(24)	(24)
<b>Total shareholders' equity</b>	<b>8,102</b>	<b>8,388</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 25,829</b>	<b>\$ 25,239</b>

**TEAMSTAFF, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	<b>(Unaudited)</b>	
	<b>For the Three Months Ended</b>	
	<b>March 31,</b>	<b>March 31,</b>
	<b>2011</b>	<b>2010</b>
<b>REVENUES</b>	\$ 10,444	\$ 9,795
<b>DIRECT EXPENSES</b>	8,936	8,826
<b>GROSS PROFIT</b>	1,508	969
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b>	1,561	1,832
<b>DEPRECIATION AND AMORTIZATION</b>	28	27
<b>Loss from operations</b>	<b>(81)</b>	<b>(890)</b>
<b>OTHER INCOME (EXPENSE)</b>		
Interest income	6	2
Interest expense	(62)	(30)
Other expense	(7)	—
Other income, net	1	1
Legal expense related to pre-acquisition activity of acquired company	(40)	(56)
	(102)	(83)
<b>Loss from continuing operations before income taxes</b>	<b>(183)</b>	<b>(973)</b>
<b>INCOME TAX EXPENSE</b>	—	(10)
<b>Loss from continuing operations</b>	<b>(183)</b>	<b>(983)</b>
<b>LOSS FROM DISCONTINUED OPERATION</b>		
Loss from operations	—	(25)
<b>Loss from discontinued operation</b>	—	(25)
<b>NET LOSS</b>	<b>\$ (183)</b>	<b>\$ (1,008)</b>
<b>LOSS PER SHARE — BASIC AND DILUTED</b>		
Loss from continuing operations	\$ (0.04)	\$ (0.20)
Loss from discontinued operation	—	(0.00)
Net loss per share	<b>\$ (0.04)</b>	<b>\$ (0.20)</b>

TEAMSTAFF, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	(Unaudited)	
	For the Six Months Ended	
	March 31, 2011	March 31, 2010
<b>REVENUES</b>	\$ 21,019	\$ 20,588
<b>DIRECT EXPENSES</b>	18,193	18,257
<b>GROSS PROFIT</b>	<b>2,826</b>	<b>2,331</b>
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b>	3,123	3,489
<b>OFFICER SEVERANCE</b>	—	310
<b>DEPRECIATION AND AMORTIZATION</b>	59	53
<b>Loss from operations</b>	<b>(356)</b>	<b>(1,521)</b>
<b>OTHER INCOME (EXPENSE)</b>		
Interest income	7	5
Interest expense	(107)	(53)
Other expense	(7)	—
Other income, net	2	2
Legal expense related to pre-acquisition activity of acquired company	(59)	(57)
	(164)	(103)
<b>Loss from continuing operations before income taxes</b>	<b>(520)</b>	<b>(1,624)</b>
<b>INCOME TAX EXPENSE</b>	—	(10)
<b>Loss from continuing operations</b>	<b>(520)</b>	<b>(1,634)</b>
<b>LOSS FROM DISCONTINUED OPERATION</b>		
Loss from operations	—	(810)
Loss from disposal	—	(349)
<b>Loss from discontinued operation</b>	<b>—</b>	<b>(1,159)</b>
<b>NET LOSS</b>	<b>\$ (520)</b>	<b>\$ (2,793)</b>
<b>LOSS PER SHARE — BASIC AND DILUTED</b>		
Loss from continuing operations	\$ (0.10)	\$ (0.33)
Loss from discontinued operation	—	(0.23)
Net loss per share	<b>\$ (0.10)</b>	<b>\$ (0.56)</b>
<b>WEIGHTED AVERAGE BASIC AND DILUTED SHARES OUTSTANDING</b>	5,144	4,985

**FOR IMMEDIATE RELEASE****TEAMSTAFF, INC. AWARDED DEPARTMENT OF VETERANS AFFAIRS'  
CONSOLIDATED MAIL OUTPATIENT PHARMACY PROGRAM**

**Somerset, New Jersey — May 17, 2011 — TeamStaff, Inc. (Nasdaq: TSTF)**, a leading logistics and healthcare services provider to the Federal Government, primarily within the Departments of Defense and Veterans Affairs, announced today that its primary operating subsidiary TeamStaff Government Solutions, Inc. “TeamStaff GS” has been awarded a single source Blanket Purchase Agreement (“BPA”) for the procurement of integrated medical support for the Department of Veterans Affairs’ Consolidated Mail Outpatient Pharmacy (“CMOP”) program. The tasks to be performed include pharmacy and pharmacy technician services in support of pharmacy production management. The maximum total value under this award is expected to be approximately \$140,000,000 against the Company’s Federal Supply Schedule, Professional and Allied Healthcare Staffing Services GSA VA V797P-4348a and pursuant to site-specific task orders expected to be rendered by the VA. Work will be performed in Charleston, South Carolina; Hines, Illinois; Leavenworth, Kansas; Murfreesboro, Tennessee; Tucson, Arizona; Lancaster, Texas; and Dublin, Georgia. Work is expected to begin on July 1, 2011 and continue for up to 5 years. In the interim, TeamStaff GS will continue to provide services under its previously announced interim contract.

TeamStaff CEO Zach Parker commented, “Being awarded the CMOP program is evidence of our customer’s satisfaction and confidence in TeamStaff’s performance supporting the Department of Veterans Affairs.” Over the past decade, TeamStaff has worked hand-in-hand with our customer to ensure our nation’s veterans receive their medications both quickly and accurately. We look forward to continuing to assist the Department of Veterans Affairs with this national priority service.”

**About TeamStaff’s support to the DVA’s Consolidated Mail Outpatient Pharmacy Program (CMOP):**

Approximately 80 percent of all prescriptions written in the Veterans Health Administration are filled by the CMOP program. The program consists of seven CMOP sites strategically located throughout the United States. The CMOP program filled about 110 million prescriptions in 2010. The CMOP program is key to the efficient, timely and accurate (improved patient safety) delivery of pharmaceutical care to our Veterans and was recently recognized by J.D. Power and Associates for their efficiency. CMOPs have assisted the Veterans Administration Medical Centers (VAMC) in decreasing the wait and travel times for Veterans who would in the past have to travel to the medical centers to pick up their prescriptions.

TeamStaff GS President Kevin Wilson stated: “TeamStaff is tremendously proud of the relationship that we have built with the CMOP program and what we are able to do for our Veterans. The commitment to superior services have become a mantra with our dedicated employees who currently support the CMOP program, and their efforts were integral in our being chosen to expand in providing these critical services to our veterans.”

**About TeamStaff, Inc.**

TeamStaff serves clients and their employees throughout the United States as a full-service provider of logistics and healthcare support services. TeamStaff specializes in providing high quality healthcare, logistics, and technical services to Federal agencies and the Department of Defense. For more information, visit the TeamStaff corporate web site at [www.teamstaff.com](http://www.teamstaff.com) or the TeamStaff Government Solutions web site at [www.teamstaffgs.com](http://www.teamstaffgs.com).

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**CONTACTS:**

Zachary C. Parker,  
President and Chief Executive Officer

John E. Kahn,  
Chief Financial Officer

**TeamStaff, Inc.**  
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866-352-5304

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