FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One)
(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 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 number 0-14112

JACK HENRY & ASSOCIATES, INC.
(Exact name of registrant as specified in its charter)

Delaware	43-1128385
(State or other jurisdiction of incorporation)	(I.R.S. Employer Identification No.)

663 Highway 60, P. O. Box 807, Monett, MO 65708
(Address of principal executive offices)
(Zip Code)

417-235-6652
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

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

APPLICABLE ONLY TO CORPORATE ISSUERS:
Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at April 30, 2000
Common Stock, $.01 par value	40,728,202

JACK HENRY & ASSOCIATES, INC.

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Part I. Financial Information
Item 1. Financial Statements

JACK HENRY & ASSOCIATES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In Thousands of Dollars, Except Share Data)

	March 31, 2000 (Unaudited)	June 30, 1999
Current assets:		
Cash and cash equivalents	$12,976	$ 3,185
Investments	1,034	6,702
Trade receivables	36,017	51,387
Income taxes receivable	-	1,244
Prepaid expenses and other	22,347	17,324
Total	$ 72,374	$ 79,842
Property, plant and equipment	$103,455	$ 84,540
Accumulated depreciation	23,566	18,945
Property and equipment, net	$ 79,889	$ 65,595
Other assets:		
Intangible assets, net of amortization	$ 65,551	$ 25,181
Computer software, net of amortization	3,626	3,015
Other non-current assets	1,272	1,088
Total	$ 70,449	$ 29,284
Total assets	$222,712	$174,721

	March 31, 2000 (Unaudited)	June 30, 1999
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 6,476	$ 4,836
Short-term borrowings	29,500	-
Accrued expenses	5,973	8,166
Accrued income taxes	1,722	-
Deferred revenues	41,300	44,664
Total	$ 84,971	$ 57,666
Deferred income taxes	1,907	2,586
Total liabilities	$ 86,878	$ 60,252
Stockholders' equity:		
Preferred stock - $1 par value; 500,000 shares authorized; none issued	-	-

Common stock - $0.01 par value; 50,000,000 shares authorized; 40,704,390 issued @ 3/31/00 40,199,354* issued @ 6/30/99	$ 407	$ 402
Additional paid-in capital	35,818	31,798
Retained earnings	99,609	82,269
Total stockholders' equity	$135,834	$114,469
Total liabilities and stockholders' equity	$222,712	$174,721

* All prior period share data has been adjusted for the 100% stock dividend paid March 2, 2000.

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

JACK HENRY & ASSOCIATES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(In Thousands, Except Per Share Data)

	Quarter Ended March 31, *		Nine Months Ended March 31, *	
Revenues:	2000	1999	2000	1999
Software licensing & installation	$15,275	$11,198	$ 35,888	$ 36,108
Maintenance/support & services	24,802	18,437	68,635	51,060
Hardware sales	16,329	14,356	45,716	53,532
Total revenues	$56,406	$43,991	$150,239	$140,700
Cost of sales:				
Cost of hardware	11,290	10,345	32,126	38,110
Cost of services	18,156	13,467	53,328	38,486
Total cost of sales	$ 29,446	$ 23,812	$ 85,454	$ 76,596
Gross profit	$ 26,960	$ 20,179	$ 64,785	$ 64,104
	48%	46%	43%	46%
Operating expenses:				
Selling and marketing	4,260	3,177	12,298	11,090
Research and development	2,242	1,248	5,780	3,758
General and administrative	4,974	3,601	13,452	12,412
Total operating expenses	$ 11,476	$ 8,026	$ 31,530	$ 27,260
Operating income	$ 15,484	$ 12,153	$ 33,255	$ 36,844
Other income (expense):				
Interest income	221	440	725	1,430
Interest expense	(550)	(8)	(1,096)	(35)
Other, net	180	161	1,639	339
Total other income (expense)	$ (149)	$ 593	$ 1,268	$ 1,734
Income before income taxes	$ 15,335	$ 12,746	$ 34,523	$ 38,578
Provision for income taxes	5,214	4,479	11,603	14,421
Income from continuing operations	$ 10,121	$ 8,267	$ 22,920	$ 24,157
Loss from discontinued operations	-	(531)	(332)	(758)
Net income	$ 10,121	$ 7,736	$ 22,588	$ 23,399
Diluted earnings per share:				
Income from continuing operations	$ .24	$ .20	$ .55	$ .57
Loss from discontinued operations	-	(.01)	(.01)	(.02)
Net income	$ .24	$ .19	$ .54	$ .55

Diluted weighted average shares outstanding	42,429	42,378	41,925	42,245
Basic earnings per share:				
Income from continuing operations	$ .25	$ .21	$ .57	$ .61
Loss from discontinued operations	-	(.01)	(.01)	(.02)
Net income	$ .25	$ .20	$ .56	$ .59
Basic weighted average shares outstanding	40,533	40,011	40,354	39,832

* All prior period share and per share data has been adjusted for the 100% stock dividend paid March 2, 2000.

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

JACK HENRY & ASSOCIATES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of Dollars)
(Unaudited)

	Nine Months Ended March 31, 2000	Nine Months Ended March 31, 1999
Cash flows from operating activities:		
Income from continuing operations	$ 22,920	$ 24,157
Adjustments to reconcile income from continuing operations to cash provided by operating activities		
Depreciation and amortization	10,651	6,207
(Gain) loss on sale of fixed assets	4	7
(Gain) loss on sale of investment	(1,105)	(78)
Changes in:		
Trade receivables	22,652	22,907
Prepaid expenses and other	(7,094)	(2,532)
Accounts payable	1,128	(8,966)
Accrued expenses	(3,216)	(380)
Income taxes	2,966	224
Deferred revenues	(7,047)	(6,550)
Net cash from operating activities	$ 41,859	$ 34,996
Cash flows from discontinued operations	$ 700	$ (306)
Cash flows from investing activities:		
Proceeds on sale of property & equipment	$ 218	$ 4
Capital expenditures	(18,688)	(31,435)
Short-term investment activity, net	5,668	(3,422)
Proceeds from sale of investments	3,605	-
Computer software developed/purchased	(632)	(362)
Acquisition costs, net	(51,215)	(8,129)
Net cash from investing activities	$(61,044)	$(43,344)
Cash flows from financing activities:		
Proceeds from issuance of common stock upon exercise of stock options	$ 3,700	$ 2,734
Proceeds from sale of common stock	325	225
Proceeds from short-term borrowings, net	29,500	-
Dividends paid	(5,249)	(4,075)
Principal payments on notes payable	-	(822)
Purchase of treasury stock	-	(6)
Net cash from financing activities	$ 28,276	$ (1,944)
Net increase (decrease) in cash and cash equivalents	$ 9,791	$(10,598)
Cash and cash equivalents at beginning of period	3,185	24,683
Cash and cash equivalents at end of period	$ 12,976	$ 14,085

The Company paid income taxes of $9,061,000 and $13,406,000 for the nine months ended March 31, 2000 and 1999, respectively.

The Company paid interest of $793,000 and $35,000 for the nine months ended march 31, 2000 and 1999, respectively.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Summary of Significant Accounting Policies

Description of the Company - Jack Henry & Associates, Inc. (JHA or the

(Unaudited)

1. Summary of Significant Accounting Policies

Description of the Company - Jack Henry & Associates, Inc. (JHA or the
Company) is a computer software company which has developed several banking software systems. The Company markets these systems to financial institutions in the United States along with the computer equipment (hardware), and provides the conversion and software customization services necessary for a financial institution to install a JHA software system. The institution can elect to have this system in-house or outsourced through one of the Company s service bureau locations which provides account processing and data center capabilities. The Company provides continuing support and maintenance services to customers using the system. The Company also processes ATM transactions and provides internet banking solutions for financial institutions in the U.S. All of these related activities are considered a single business segment.

Consolidation - The consolidated financial statements include the accounts of JHA and its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in the consolidation.

Comprehensive Income - Comprehensive income for each of the nine-month periods ended March 31, 2000 and 1999, approximates the Company s net income.

Reclassification - Where appropriate, prior year s financial information has been reclassified to conform with the current year s presentation.

Other Significant Accounting Policies - The accounting policies followed by the Company are set forth in Note 1 to the Company's consolidated financial statements included in its Annual Report on Form 10-K ("Form 10-K") for the fiscal year ended June 30, 1999.

2. Interim Financial Statements

The accompanying condensed financial statements have been prepared in accordance with the instructions to Form 10-Q of the Securities and Exchange Commission and in accordance with generally accepted accounting principles applicable to interim financial statements, and do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. The financial statements should be read in conjunction with the Company s audited consolidated financial statements and accompanying notes which are included in its Form 10-K, for the year ended June 30, 1999.

In the opinion of management of the Company, the accompanying condensed financial statements reflect all adjustments necessary (consisting solely of normal recurring adjustments) to present fairly the financial position of the Company as of March 31, 2000, and the results of its operations and its cash flows for the quarter and nine months then ended.

The results of operations for the periods ended March 31, 2000, are not necessarily indicative of the results to be expected for the entire year.

3. Additional Interim Footnote Information

The following additional information is provided to update the notes to the Company's annual financial statements for developments during the nine months ended March 31, 2000:

Acquisition of BancTec s community banking business - On September 8, 1999, the Company completed the acquisition of BancTec, Inc s community banking business. The assets were acquired and the liabilities assumed by Open Systems Group (OSG), a newly formed, wholly-owned subsidiary of the Company. OSG markets banking software systems to financial institutions in the United States along with computer equipment (hardware), and provides the conversion and software customization necessary to install the software system. OSG also provides account processing capabilities and data center operations to community banks.

The acquisition was accounted for by the purchase method of accounting. Accordingly, the accompanying condensed consolidated statements of income do not include any revenues and expenses related to this acquisition prior to the closing date.

The following unaudited proforma consolidated information is presented as if the acquisition had occurred as of the beginning of each period presented.

	Nine Months Ended March 31,	
	2000	1999
Revenues	$153,736	$184,963
Income from continuing operations	$ 22,025	$ 23,232
Net Income	$ 21,693	$ 22,474
Diluted earnings per share:		
Income from continuing operations	$ .53	$ .55
Net income	$ .52	$ .53

Acquisition of BancData Solutions, Inc. (BDS) - April 1, 2000, JHA acquired all the outstanding shares of BDS for $5 million in cash. BDS is a provider of a variety of service bureau options to community banks, primarily in southern California. Systems are AS/400 based and are already using the JKHY core application system. This acquisition will be accounted for by the purchase method of accounting.

4. Earnings Per Share Information

Per share information is based on the weighted average number of common shares outstanding for the nine month period ended March 31, 2000 and 1999. Stock options have been included in the calculation of earnings per share to the extent they are dilutive. Reconciliation from basic to diluted weighted average shares outstanding is the dilutive effect of outstanding stock options.

5. Stock Dividend

On January 31, 2000, the Company s Board of Directors declared a 100% stock dividend on its common stock, effectively a 2 for 1 stock split. The stock dividend was paid March 2, 2000 to stockholders of record at the close of business on February 17, 2000. The shares presented in the condensed consolidated balance sheets as of March 31 and June 30, 1999, and the number of shares used in the computation of earnings per share in the condensed consolidated statements of income for the quarter and nine months ended March 31, 2000 and 1999, were based on the number of shares outstanding after giving effect to the stock split.

Item 2. - Management's Discussion and Analysis of Results of Operations and Financial Condition

RESULTS OF OPERATIONS

Background and Overview

The Company is a leading provider of integrated computer systems and ATM networking products that perform data processing (available for in-house or service bureau installations) for banks and credit unions. The Company was founded in 1976. Its developed proprietary applications software, which operates on IBM computers, is offered under two systems: CIF 20/20 , typically for banks with less than $300 million in assets, and the Silverlake2 System , for banks with assets up to $10 billion. Its acquired proprietary application s software, which operates in the UNIX and NT client server environment, operates on various hardware applications. JHA frequently sells hardware with its software products. It also provides customer support and related services. The Company's software systems and products have been installed at over 2625 banks and credit unions.

Year 2000

The Company established a Year 2000 (Y2K) Committee in 1997. This Committee prepared a documented, systematic approach (the Y2K Plan) to review all products and internal systems for Y2K compliance. The Company s Board of Directors reviewed and approved the Y2K Plan as required by the banking regulators of all service bureau providers. The Company had completed its assessment of its proprietary, mission critical and non-mission critical systems and tested (including customer testing) for Y2K compliance prior to December 31,1999. The Company passed the established milestones with no major issues pertaining to date changes and does not anticipate any in the future. Although the Company does not maintain accounting records that separately identify all of the costs associated with its Y2K activities, it is estimated that the total cost was not material to the Company s financial statements.

A detailed discussion of the major components of the results of operations for the quarter and nine months ended March 31, 2000, as compared to the same periods in the previous year follows.

Revenues

Revenues increased 28% to $56,406,000 in the quarter ended March 31, 2000. Software licensing and installation revenues increased 36%. Maintenance, support and service revenues increased 35% due to increased service bureau fees, in-house maintenance fees and ATM switching fees. Hardware sales increased 14% from last years quarter.

Nine month revenues this year were $150,239,000, up 7% from last year's corresponding period. Software licensing and installation decreased 1%. Maintenance, support and service revenues increased 34%. Hardware sales were down 15% from last year due to the significant decrease in the first quarter ended September 30, 1999. OSG contributed $15,991,000 in total revenue during the nine months ended March 31, 2000.

1
CIF 20/20 is a trademark of Jack Henry & Associates, Inc.
2
Silverlake System is a registered trademark of Jack Henry & Associates, Inc.

The backlog of sales at March 31, 2000, was $91,168,000 ($32,669,000 in-house and $58,499,000 outsourcing). This is up slightly from the June 30, 1999 level, and is consistent with management s expectations for the third quarter. Backlog at April 30, 2000 was $89,276,000.

Cost of Sales

Cost of sales increased 24% in the third quarter ended March 31, 2000. Cost of hardware increased 9%, slightly less than the 14% increase in hardware revenue. Cost of services increased 35% primarily due to the OSG acquisition and maintaining resources for the growth expected in the Company s core business. The increase in cost of services mirrors the 35% increase in non-hardware revenues.

Cost of sales increased 12% for the first nine months of fiscal year 2000, compared to a 7% increase in revenues. Cost of hardware decreased 16%, which is consistent with the 15% decrease in hardware revenue. Cost of services increased 39% compared to the 20% increase in non-hardware revenues, primarily due to the OSG acquisition and continued growth.

Gross Profit

Gross profit increased to $26,960,000 in the third quarter ended March 31, 2000, a 34% increase from last year. The gross margin percentage was 48% of sales compared to 46% last year. The increase is primarily due to change in sales mix as software licensing (higher margin sales) increased significantly due to financial institutions acquiring system upgrades after the curtailment created by the turn of the century.

The nine month gross profit this year was up 1% at $64,785,000. The gross margin percentage for the first nine months was 43% of sales, down from last year s rate of 46%, primarily due to changes in sales mix.

Operating Expenses

Total operating expenses increased 43% in the quarter compared to last year s period. Selling expenses increased 34% which mirrors the increase in software licensing and installation revenues, while research and development expenses increased 80% primarily due to the acquisition of OSG and the continued development and refinement of new and existing products. General and administrative expenses increased 38%, supporting the overall growth of the Company and acquisitions.

Total operating expenses increased 16% in the nine months ended March 31, 2000. Selling expenses increased 11%, research and development increased 54% and general and administrative expenses increased 8% compared to the same period last year.

Other Income and Expense

Other income (expense) for the quarter ended March 31, 2000 reflects a decrease when compared to same period last year. This is primarily due to interest expense this year on short-term borrowings, compared to interest income last year from cash investments.

Other income for the nine months ended March 31, 2000 reflects a 27% decrease. The $1,105,000 gain on sale of stock acquired in the Peerless acquisition in the first quarter ended September 30, 1999, offsets the majority of the increase in interest expense of $1,061,000, and the decrease in interest income of $705,000 from cash investments compared to the prior year.

Net Income

Net income from continuing operations for the third quarter was $10,121,000, or $.24 per diluted share, an increase of 22%, compared to $8,267,000, or $.20 per diluted share in the same period last year.

Net income from continuing operations for the nine months ended March 31, 2000 was $22,920,000, or $.55 per diluted share (down 5%), compared to $24,157,000, or $.57 per diluted share during the same period last year.

Discontinued Operations

The Company incurred a $332,000 loss from discontinued operations for the quarter ended September 30, 1999 and the nine months ended March 31, 2000. Due to the sale of the BankVision subsidiary on September 7, 1999, there was no impact on the quarter ended March 31, 2000.

FINANCIAL CONDITION

Liquidity

The Company's cash and cash equivalents increased to $12,976,000 at March 31, 2000, from $3,185,000 at June 30, 1999. This reflects the seasonal influx of cash due to the receipt of the Peerless and OSG annual maintenance fees billed December 31, 1999. The influx of all other annual maintenance fees billed June 30, 1999 were offset by the $25,000,000 cash from operations used in OSG s acquisition of BancTec, Inc s community banking business.

JHA has available credit lines totaling $18,500,000, although the Company expects additional borrowings to be minimal during fiscal Year 2000. The Company currently has short-term obligations for $29,500,000 to a commercial lender, which provides for advances of up to $40,000,000, bears interest at variable LIBOR-Based Rates (6.53% at March 31, 2000) and is due September 7, 2000.

Capital Requirements and Resources

JHA generally uses existing resources and funds generated from operations to meet its capital requirements. Capital expenditures totaling $18,688,000 for the nine months ended March 31, 2000, were made for expansion of facilities and additional equipment. These were funded from cash generated by operations and additional short-term borrowing. Cash acquisition costs totaling $50,661,000 for the nine months ended March 31, 2000, for the purchase of BancTec, Inc s. community banking services, were funded with $25,661,000 from operations and $25,000,000 from short-term borrowings. The consolidated capital expenditures of JHA excluding acquisition costs could exceed $30,000,000 for fiscal Year 2000.

The Company paid a $.05 per share cash dividend on March 2, 2000 to stockholders of record February 16, 2000 which was funded from operations. In addition, the Company s Board of Directors, subsequent to March 31, 2000, declared a quarterly cash dividend of $.05 per share on its common stock payable May 19, 2000 to stockholders of record on May 4, 2000. This will be funded from operations.

CONCLUSION

JHA's results of operations and its financial position continued to be favorable during the quarter ended March 31, 2000, notwithstanding the unusual market conditions of financial institutions curtailing system upgrades created by the turn of the century. This reflects the continuing attitude of cooperation and commitment by each employee, management's ongoing cost control efforts and commitment to deliver top quality products and services to the markets it serves.

PART II. OTHER INFORMATION

None.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Quarterly Report on Form 10-Q to be signed on behalf by the undersigned thereunto duly authorized.

JACK HENRY & ASSOCIATES, INC.

Date: May 5, 2000	/s/ Michael E. Henry Michael E. Henry Chairman of the Board and Chief Executive Officer
Date: May 5, 2000	/s/ Terry W. Thompson Terry W. Thompson Vice President and Chief Financial Officer

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