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 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 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 January 31, 2001
Common Stock, $.01 par value	44,089,385

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, Except Share and Per Share Data)

	December 31, 2000 (Unaudited)	June 30, 2000
ASSETS		
Current assets:		
Cash and cash equivalents	$ 15,832	$ 5,186
Investments, at amortized cost	976	946
Trade receivables	59,734	73,940
Income taxes receivable	-	3,478
Prepaid cost of product	13,288	10,645
Prepaid expenses and other	9,182	8,980
Deferred income taxes	645	825
Total	$ 99,657	$104,000
Property and equipment	$147,286	$118,749
Accumulated depreciation	30,589	25,464
	$116,697	$ 93,285
Other assets:		
Intangible assets, net of amortization	$105,347	$109,282
Computer software, net of amortization	5,676	5,813
Prepaid cost of product	10,663	7,694
Other non-current assets	1,065	1,008
Total	$122,751	$123,797
Total assets	$339,105	$321,082

	December 31, 2000 (Unaudited)	June 30, 2000
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 7,303	$ 9,255
Short-term borrowings	-	70,500
Accrued expenses	7,850	9,750
Accrued income taxes	5,287	-
Current portion of long-term debt	123	123
Deferred revenues	52,601	61,512
Total	$ 73,164	$151,140
Long-term debt	240	320
Deferred revenue	13,663	9,945
Deferred income taxes	6,253	5,132
Total liabilities	$ 93,320	$166,537

Stockholders' equity:		
Preferred stock - $1 par value; 500,000 shares authorized; none issued	-	-
Common stock - $0.01 par value; 250,000,000 shares authorized; 43,673,805 issued @ 12/31/00 41,357,852 issued @ 6/30/00	$ 437	$ 414
Additional paid-in capital	114,512	43,753
Retained earnings	130,836	110,378
Total stockholders' equity	$245,785	$154,545
Total liabilities and stockholders' equity	$339,105	$321,082

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

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

	Three Months Ended December 31,		Six Months Ended December 31,	
Revenues:	2000	1999	2000	1999
Software licensing and installation	$24,536	$ 9,074	$ 48,048	$20,613
Maintenance/support and service	32,266	24,204	62,712	44,663
Hardware sales	23,930	20,805	46,980	32,234
Total revenues	$80,732	$54,083	$157,740	$97,510
Cost of sales:				
Cost of hardware	15,635	15,209	31,604	23,306
Cost of services	30,330	20,890	56,737	36,214
Total cost of sales	$45,965	$36,099	$ 88,341	$59,520
Gross profit	$34,767	$17,984	$ 69,399	$37,990
	43%	33%	44%	39%
Operating expenses:				
Selling and marketing	5,743	4,763	13,398	8,195
Research and development	2,828	1,879	5,211	3,538
General and administrative	6,363	4,913	12,269	8,653
Total operating expenses	$14,934	$11,555	$ 30,878	$20,386
Operating income from continuing operations	$19,833	$ 6,429	$ 38,521	$17,604
Other income (expense):				
Interest income	285	168	644	512
Interest expense	(96)	(468)	(775)	(574)
Other, net	103	131	304	1,452
Total other income (expense)	$ 292	$ (169)	$ 173	$ 1,390

Income from continuing operations

before income taxes	$20,125	$ 6,260	$38,694	$18,994
Provision for income taxes	7,245	2,059	13,930	6,254
Income from continuing operations	$12,880	$ 4,201	$24,764	$12,740
Loss from discontinued operations	-	-	-	(332)
Net income	$12,880	$ 4,201	$24,764	$12,408
Diluted earnings per share:				
Income from continuing operations	$ .28	$ .10	$ .55	$ .30
Loss from discontinued operations	-	-	-	(.01)
Net income	$ .28	$ .10	$ .55	$ .29
Diluted weighted average shares outstanding	45,834	42,164	45,189	42,090
Basic earnings per share:				
Income from continuing operations	$ .30	$ .10	$ .58	$ .31
Loss from discontinued operations	-	-	-	(.01)
Net income	$ .30	$ .10	$ .58	$ .30
Basic weighted average shares outstanding	43,259	40,707	42,707	40,682

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)
(Unaudited)

	Six Months Ended December 31,	
	2000	1999
Cash flows from operating activities		
Income from continuing operations	$ 24,764	$ 12,740
Adjustments to reconcile income from continuing operations to cash from operating activities		
Depreciation and amortization	9,912	6,927
Gain on sale of investments	-	(1,105)
Other	(83)	36
Deferred income taxes	1,301	-
Changes in:		
Trade receivables	14,206	1,760
Prepaid expenses and other	(5,716)	(3,827)
Accounts payable	(1,952)	5,003
Accrued expenses	(1,900)	(2,400)
Accrued income taxes	8,765	(684)

Deferred revenues	(5,193)	3,639
Net cash from continuing operations	$ 44,104	$ 22,089
Cash flows from discontinued operations	$ -	$ 700
Cash flows from investing activities:		
Capital expenditures	$(28,656)	$(10,940)
Proceeds from sale of investments	-	3,605
Computer software developed/purchased	(607)	(570)
Payment for acquisitions, net	-	$(51,047)
Other, net	(92)	-
Net cash from investing activities	$(29,355)	$(58,952)
Cash flows from financing activities:		
Proceeds from issuance of common stock upon exercise of stock options	$ 9,861	$ 1,181
Proceeds from sale of common stock	60,922	191
Short-term borrowings, net	(70,500)	37,819
Principal payments on notes payable	(80)	-
Dividends paid	(4,306)	(3,222)
Net cash from financing activities	$ (4,103)	$ 35,969
Net cash activity for the three months ended September 30, 1999-Sys-Tech, Inc.	-	$ 264
Net increase in cash and cash equivalents	$ 10,646	$ 70
Cash and cash equivalents at beginning of period	5,186	3,376
Cash and cash equivalents at end of period	$ 15 832	$ 3,446

Net cash paid for income taxes was $3,338 and $7,763 for the six months ended December 31, 2000 and 1999, respectively.

The Company paid interest of $1,048 and $260 for the six months ended December 31, 2000 and 1999, respectively.

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

JACK HENRY & ASSOCIATES, INC. AND SUBSIDIARIES
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 "Company") is a computer software company which has developed or acquired 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 continuing support and maintenance services to customers using the system. The Company also processes ATM and debit card transactions and provides internet banking solutions for financial institutions in the U.S.

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 three and six month periods ended December 31, 2000 and 1999, equals the Company's net income.

Restatement - The consolidated financial statements for the three and six month periods ended December 31, 1999 have been restated to include Sys-Tech, Inc. of Kansas and Big Sky Marketing, Inc. (collectively referred to as Sys-Tech) which were acquired on June 1, 2000. The acquisitions were accounted for as a pooling of interests and therefore all prior periods have been adjusted to reflect the acquisitions as if they had occurred at the beginning of the earliest period reported.

Common Stock Split - Prior period share and per share data have been adjusted for the 100% stock dividend paid March 2, 2000.

Reclassification - Where appropriate, prior period's financial information has been reclassified to conform with the current period'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, 2000.

2. Interim Financial Statements

The accompanying condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q of the Securities and Exchange Commission and in accordance with accounting principles generally accepted in the United States of America applicable to interim consolidated financial statements, and do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete consolidated financial statements. The consolidated 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, 2000.

In the opinion of management of the Company, the accompanying condensed consolidated financial statements reflect all adjustments necessary (consisting solely of normal recurring adjustments) to present fairly the financial position of the Company as of December 31, 2000 and the results of its operations and its cash flows for the three and six month periods then ended.

The results of operations for the period ended December 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 consolidated financial statements for developments during the six months ended December 31, 2000:

Purchase Transactions

On June 7, 2000, the Company completed the acquisition of Symitar Systems, Inc. (Symitar). On September 8, 1999, the Company's wholly-owned subsidiary Open Systems Group (OSG), completed the acquisition of BancTec, Inc.'s community banking business. These acquisitions were accounted for by the purchase method of accounting. Accordingly, the accompanying condensed statement of income for the three and six month periods ended December 31, 1999 does not include any revenues and expenses related to these acquisitions prior to the respective closing date. The following unaudited proforma consolidated information is presented as if these acquisitions had occurred as of the beginning of the period presented.

	(In Thousands) Three Months Ended December 31, 1999	(In Thousands) Six Months Ended December 31, 1999
Revenues	$59,368	$113,475
Income from continuing operations	$ 3,781	$ 11,003
Net income	$ 3,781	$ 10,671
Diluted earnings per share:		
Income from continuing operations	$ .09	$ .26
Net income	$ .09	$ .25

Secondary Offering

On August 16, 2000, the Company completed a secondary offering of 1.5 million shares of its common stock at $43.00 per share less a 5% underwriters discount and offering expenses paid by the Company. A portion of the net proceeds of approximately $60,500,000 was used to retire the remaining outstanding short-term borrowings under lines of credit as of that date, and the balance will be used for working capital, capital expenditures, potential future acquisitions and other general corporate purposes.

Recent Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities". SFAS No.133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives) and for hedging activities. SFAS No.133, as amended by SFAS No.137 and SFAS No. 138, was effective for all fiscal quarters of fiscal years beginning after June 15, 2000. This new standard was adopted July 1, 2000 and did not have a material impact on the Company's financial position and results of operations.

The Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin ("SAB") No.101, "Revenue Recognition in Financial Statements", on December 3, 1999. SAB No.101, as amended, provides the SEC Staff's views on selected revenue recognition issues and is effective no later than the fourth fiscal quarter for years beginning after December 15, 1999, which for the Company is the beginning of its fourth quarter of fiscal 2001. The Company has not completed the process of evaluating the impact that will result from adopting SAB No.101 and therefore, is unable to determine the impact that the adoption will have on its financial position and results of operations.

4. Shares used in computing net income per share:

	(In Thousands)			
	Three Months Ended December 31,		Six Months Ended December 31,	
	1999	2000	2000	1999

Weighted average number of common shares outstanding - basic	43,259	40,707	42,707	40,682
Common stock equivalents	2,575	1,457	2,482	1,408
Weighted average number of common and common equivalent shares outstanding - diluted	45,834	42,164	45,189	42,090

Per share information is based on the weighted average number of common shares outstanding for the three and six month periods ended December 31, 2000 and 1999. Stock options have been included in the calculation of income 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 29, 2001, 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 is payable March 2, 2001 to stockholders of record at the close of business on February 15, 2001. The shares presented in the condensed consolidated balance sheets as of December 31 and June 30, 2000, and the number of shares used in the computation of earnings per share in the condensed consolidated statements of income for the three and six months ended December 31, 2000 and 1999, were based on the number of shares outstanding before giving effect to the stock split. On a proforma basis, giving effect to the stock split, outstanding shares and revised earnings per share would have been as follows:

	Three Months Ended December 31,		Six Months Ended December 31,	
	2000	1999	2000	1999
Proforma diluted earnings per share:				
Income from continuing operations	$ .14	$ .05	$ .27	$ .15
Loss from discontinued operations	-	-	-	(.01)
Net income per share	$ .14	$ .05	$ .27	$ .14
Proforma diluted weighted average shares outstanding	91,668	84,328	90,378	84,180
Proforma basic earnings per share:				
Income from continuing operations	$ .15	$ .05	$ .29	$ .16
Loss from discontinued operations	-	-	-	(.01)
Net income per share	$ .15	$ .05	$ .29	$ .15
Proforma basic weighted average shares outstanding	86,518	81,414	85,414	81,364

6. Business Segment Information

The Company is a leading provider of integrated computer systems that perform data processing (available for in-house or service bureau installations) for banks and credit unions. The Companies operations were classified as one business segment in the prior year. The acquisition of Symitar Systems, Inc. entrenched the Company more significantly into the credit union marketplace. The Company's operations have been classified into two business segments: bank systems and services and credit union systems and services. The Company evaluates the performance of its segments and allocates resources to them based on various factors, including prospects for growth, return on investment and return on revenues.

	(In Thousands) Three Months Ended December 31,		Six Months Ended December 31,	
	2000	1999	2000	1999
Revenues:				
Bank systems and services	$ 69,541	$ 53,702	$139,940	$96,804
Credit union systems and services	11,191	381	17,800	706
Total	$ 80,732	$ 54,083	$157,740	$97,510
Gross Profit:				
Bank systems and services	$ 30,952	$ 17,916	$ 65,541	$37,764
Credit union systems and services	3,815	68	3,858	226
Total	$ 34,767	$ 17,984	$ 69,399	$37,990

The Company has not disclosed asset information by segment, as the information is not produced internally and its preparation is impracticable.

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 that perform data processing (available for in-house or data center installations) for banks and credit unions. The Company also processes ATM and debit card transactions and provides internet banking solutions for these financial institutions. The Company was founded in 1976. Its developed proprietary applications software, which operates on IBM computers, is offered under two systems: CIF 20/20(TM) (1), typically for banks with less than $300 million in assets, and the Silverlake System(R) (2), for banks with assets up to $10 billion. Its acquired proprietary applications software for banks and credit unions, which operates in the UNIX and NT client-server environment, operates on various hardware platforms. JHA frequently sells hardware with its software products. It also provides customer support and related services. The Company has over 2,800 banks and credit unions as customers.

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1 CIF 20/20(TM) is a trademark of Jack Henry & Associates, Inc.

2 Silverlake System(R) is a registered trademark of Jack Henry & Associates, Inc.

A detailed discussion of the major components of the results of operations for the three and six month periods ended December 31, 2000, as compared to the same period in the previous year follows:

Revenues

Revenues increased 49% to $80,732,000 in the quarter ended December 31, 2000. The increase is primarily due to financial institutions taking delivery of products in this quarter compared to the curtailment of system upgrades in the same quarter last year due to the turn of the century. Software licensing and installation increased 170%.

Maintenance, support and service revenues increased 33%. Hardware sales increased 15% from last year's quarter.

Six month revenues this year were $157,740,000, an increase of 62% compared to last year's corresponding period. Software licensing and installation increased 133%. Maintenance, support and service revenues increased 40%. Hardware sales increased 46%.

The backlog of sales at December 31, 2000 was $110,750,000 ($44,750,000 In-House and $66,000,000 Outsourcing). This is up slightly from the June 30, 2000 level, and is consistent with management's expectations for the second quarter. Backlog at January 31 2001 was $116,772,000.

Cost of Sales

Cost of sales increased 27% in the second quarter ended December 31, 2000. Cost of hardware increased 3%, somewhat less than the 15% increase in hardware revenue. Cost of services increased 45%, which is considerably less than the 71% increase in non-hardware revenues.

Cost of sales increased 48% for the first six months of fiscal year 2001, compared to a 62% increase in revenues. Cost of hardware increased 36%, compared to 46% increase in hardware revenues. Cost of services increased 57%, which is less than the 70% increase in non-hardware revenues.

For the three and six month periods ended, cost of sales have decreased as a percentage compared to revenue. This is attributable to acquisition costs and continuing to maintain resources for development and installation in the previous year even though financial institutions were delaying system upgrades and installations.

Gross Profit

Gross profit increased to $34,767,000 in the second quarter ended December 31, 2000, a 93% increase from last year. The gross margin percentage was 43% of sales compared to 33% in last years 2nd quarter. The increase is primarily due to change in sales mix as software licensing (higher margin sales) increased significantly due to financial institutions taking delivery of products in this quarter compared to the curtailment of system upgrades last year due to the turn of the century.

The six month gross profit this year increased 83% to $69,399,000. The gross margin percentage for the first six months of fiscal 2001 was 44% of sales, an increase from last years rate of 39%.

Operating Expenses

Total operating expenses increased 29%, which is considerably less than the 49% increase in revenue. Selling expenses increased 21%, which supports the increase in revenues and overall growth of the business, while research and development expenses increased 51% related to continued development and refinement of new and existing products. General and administrative expenses increased 30% supporting the overall growth of the Company and its acquisitions.

Total operating expenses increased 51% in the six months ended December 31, 2000. Selling expenses increased 64%, research and development increased 47% and general and administrative expenses 42% compared to the same period last year.

Other Income and Expense

Other income for the quarter ended December 31, 2000 reflects an increase compared to the same period last year. This is primarily due to interest income this year from cash investments, compared to interest expense last year from short-term borrowings.

Other income for the six months ended December 31, 2000 reflects a 88% decrease primarily due to the $1,105,000 gain in the first quarter ended September 30, 1999 on sale of stock acquired in the Peerless acquisition.

Provision for Income Taxes

The effective tax rate for the three and six month periods ended December 31, 2000 as compared to the same periods in the prior year, reflect the effect of a capital gain partially offset by federal and state tax benefits realized in the prior year.

Net Income

Net income from continuing operations for the second quarter was $12,880,000, or $.28 per diluted share compared to $4,201,000, or $.10 per diluted share in the same period last year.

Net income from continuing operations for the six months ended December 31, 2000 was $24,764,000, or $.55 per diluted share. This is an increase of 94% compared to $12,740,000 or $.30 per diluted share during the same period last year.

Discontinued Operations

The Company incurred a $332,000 loss from discontinued operations for the six months ended December 31, 1999 due to the sale of the Bankvision subsidiary on September 7, 1999. There was no loss from discontinued operations for the six months ended December 31, 2000.

Business Segment Discussion

Revenues in the bank systems and services business segment increased from $53,702,000 in the second quarter of 1999 to $69,541,000, or 30%, in the current second quarter. Gross profit in the bank systems and services business segment increased from $17,916,000 in the second quarter of 1999 to $30,952,000, or 73% in the current second quarter. Gross margins increased from 33% in the second quarter of 1999 to 45% in the current second quarter.

Revenues in the credit union systems and services business segment increased from $381,000 in the second quarter of 1999 to $11,191,000 in the current second quarter. Revenue growth was derived from Symitar Systems, Inc., which was acquired on June 7, 2000. Gross profit in this business segment increased from $68,000 in the second quarter of 1999 to $3,815,000 in the current second quarter.

Revenues in the bank systems and services business segment increased from $96,804,000 in the six months ended December 31, 1999 to $139,940,000 for the six months ended December 31, 2000. Gross profit in the bank systems and services business segment increased from $37,764,000 in the six months ended December 31, 1999 to $65,541,000 for the six months ended December 31, 2000.

Revenues in the credit union systems and services business segment increased from $706,000 in the six months ended December 31, 1999 to $17,800,000 in the six months ended December 31, 2000. Gross profit in the bank systems services business segment increased from $226,000 in six months ended December 31, 1999 to $3,858,000 for in the six months ended December 31, 2000.

FINANCIAL CONDITION

Liquidity

The Company's cash and cash equivalents and investments increased to $15,832,000 at December 31, 2000, from $5,186,000 at June 30, 2000. This reflects the seasonal influx of cash due to the receipt of annual maintenance fees billed June 30, 2000.

JHA has available credit lines totaling $58,000,000, although the Company expects additional borrowing to be minimal during fiscal year 2001. The Company currently has no short-term obligations outstanding. Short-term borrowings were all retired with the proceeds from the secondary offering on August 16, 2000.

Capital Requirements and Resources

JHA generally uses existing resources and funds generated from operations to meet its capital requirements. Capital expenditures totaling $28,656,000 for the six months ended December 31, 2000, were made for expansion of facilities and additional equipment. These were funded from cash generated by operations. The consolidated capital expenditures of JHA, excluding acquisition costs, could exceed $50,000,000 for the fiscal year 2001.

The Company paid a $.05 per share cash dividend on December 5, 2000 to stockholders of record as of November 21, 2000. In addition, the Company's Board of Directors, subsequent to December 31, 2000, declared a quarter cash dividend of $.06 per share on its common stock payable March 1, 2001, to stockholders of record as of February 14, 2001. This will be funded from operations. Further, the Company's Board of Directors declared a 100% stock dividend on its common stock, effectively a 2 for 1 split, to be paid March 2, 2001 to stockholders of record on February 15, 2001.

Forward Looking statements

The Management's Discussion and Analysis of Financial Condition and Results of Operations and other portions of this report contain forward-looking statements within the meaning of federal securities laws. Actual results are subject to risks and uncertainties, including both those specific to the Company and those specific to the industry, which could cause results to differ materially from those contemplated. The risks and uncertainties include, but are not limited to, the matters detailed at Risk Factors in its Annual Report on Form 10-K for the fiscal year ended June 30, 2000. Undue reliance should not be placed on the forward-looking statements. The Company does not undertake any obligation to update any forward-looking statements.

Conclusion

JHA's results of operations and its financial position continued to be favorable during the three and six month periods ended December 31, 2000. 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 to the markets it serves.

Item 3. Quantitative and qualitative Disclosure about Market Risk

Market risk refers to the risk that a change in the level of one or more market prices, interest rates, indices, volatilities, correlations or other market factors such as liquidity, will result in losses for certain financial instrument or group of financial instruments. We are currently exposed to credit risk on credit extended to customers, interest risk on investments in U.S. government securities and long-term debt. We actively monitor these risks through a variety of controlled procedures involving senior management. We do not currently use any derivative financial instruments. Based on the controls in place, credit worthiness of the customer base and the relative size of these financial instruments, we believe the risk associated with these instruments will not have a material adverse affect on our consolidated financial position or results of operations.

Part II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) STATE OF DELAWARE
CERTIFICATE OF AMENDMENT OF
CERTIFICATE OF INCORPORATION

FIRST: That at a meeting of the Board of Directors of Jack Henry & Associates, Inc., resolutions were duly adopted setting forth a proposed amendment of the Certificate of Incorporation of said corporation, declaring said amendment to be advisable and requesting that the stockholders consider same. The resolution setting forth the proposed amendment is as follows:

"RESOLVED, that the Certificate of Incorporation of this corporation be amended as follows:

Article 5.1 shall be deleted in its entirety and the following substituted in lieu thereof:

"5.1: The total number of shares which the Corporation shall have authority to issue is 250,500,000 shares, which shall consist of two classes. One class, designated "common stock," shall consist of 250,000,000 shares, each of which shall have a par value of $.01 per share. The other class, designated "preferred stock," shall consist of 500,000 shares, each of which shall have a par value of $1.00 per share."

SECOND: That thereafter, pursuant to resolution of its Board of Directors, an annual meeting of the stockholders of said corporation was duly called and held, upon notice in accordance with Section 222 of the General Corporation Law of the State of Delaware at which meeting the necessary number of shares as required by statute were voted in favor of the amendment.

THIRD: That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

FOURTH: That the capital of said corporation shall not be reduced under or by reason of said amendment.

IN WITNESS WHEREOF, said Jack Henry & Associates, Inc. has caused this certificate to be signed by Michael R. Wallace, its President, and Janet E. Gray, its Secretary, this 31st day of October, A.D., 2000.

By: /s/ Michael R. Wallace
Michael R. Wallace, President

Attest:/s/ Janet E. Gray
Janet E. Gray, Secretary

(b) On January 18, 2001, the Company filed a Current Report on Form 8-K to announce the resignation of Michael R. Wallace as President, Chief Operating Officer and director of Jack Henry & Associates, Inc., effective January 18, 2001. The Board of Directors appointed former Chief Financial Officer, Terry W. Thompson to serve as President and Chief Operating Officer of the Company effective January 18, 2001. Former Controller Kevin D. Williams was appointed Chief Financial Officer and Treasurer, effective January 18, 2001.

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 of the undersigned thereunto duly authorized.

JACK HENRY & ASSOCIATES, INC.

Date: February 14, 2001

/s/ Michael E. Henry
Michael E. Henry
Chairman of the Board
Chief Executive Officer

Date: February 14, 2001

/s/ Kevin D. Williams
Kevin D. Williams
Chief Financial Officer