
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): **March 28, 2008**

TeamStaff, Inc.

(Exact name of registrant as specified in its charter)

COMMISSION FILE NUMBER: **0-18492**

NEW JERSEY

(State or other jurisdiction of incorporation or organization)

22-1899798

(I.R.S. Employer Identification No.)

**1 Executive Drive
Somerset, NJ 08873**

(Address and zip code of principal executive offices)

(877) 523-9897

(Registrant's telephone number, including area code)

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))
-
-

Item 1.01 Entry into a Material Definitive Agreement.

On March 28, 2008, TeamStaff, Inc. ("TeamStaff") entered into a \$3,000,000 amended and restated loan and security agreement, as described below under Item 2.03. The description of the loan (and related transactions) under Item 2.03 is incorporated into this Item by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

On March 28, 2008, TeamStaff, Inc. ("TeamStaff") and its wholly-owned subsidiaries, TeamStaff Rx, Inc. ("RX") and TeamStaff Government Solutions, Inc. ("TGS" and together with RX and TeamStaff collectively, the "Company") entered into an Amended and Restated Loan and Security Agreement dated as of March 28, 2008 (the "Loan Agreement") with Business Alliance Capital Company ("BACC"), a division of Sovereign Bank (the "Lender"). Effective April 1, 2008, BACC changed its name to Sovereign Business Capital.

Under the Loan Agreement, the Lender agreed to provide a revolving credit facility to the Company in an aggregate amount of up to \$3,000,000, subject to the further terms and conditions of the Loan Agreement. The loan is secured by a first priority lien on all of the Company's assets. Previously in 2005, the Company and PNC Bank, National Association ("PNC") had entered into a \$8,000,000 revolving credit facility ("PNC Loan Facility"). Pursuant to the Loan Agreement, the Lender (i) acquired by assignment from PNC all right, title and interest of PNC under the PNC Loan Facility, the PNC note and related loan documentation, and (ii) restructured the PNC Loan Facility into a \$3,000,000 three (3) year revolving credit facility. The Company's ability to request loan advances under the Loan Agreement is subject to computation of the Company's advance limit and compliance with the covenants and conditions of the loan. The loan is for a term of 36 months and matures on March 31, 2011. Interest on the loan accrues on the daily unpaid balance of the loan advances at a per annum rate of one-quarter (.25%) percentage point above the Prime Rate in effect from time to time, but not less than five and one-half percent (5.5%) per annum.

The Loan Agreement requires compliance with customary covenants and restrictions on the Company's ability to, among other things, dispose of certain assets, engage in certain transactions, incur indebtedness and pay dividends. The Loan Agreement also provides for customary events of default following which, the Lender may, at its option, accelerate the amounts outstanding under the Loan Agreement.

On April 3, 2008, the Company issued a press release announcing the closing of the Loan Agreement. A copy of the press release is filed as Exhibit 99.1 to this Current Report. The foregoing summary does not purport to be complete and is qualified in its entirety by reference to the Loan Agreement and the amended and restated revolving credit master promissory note issued to the Lender which will be attached as exhibits to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2008.

Item 9.01 Financial Statements and Exhibits.

(d) The following exhibits are filed or furnished herewith.

<u>Exhibit No.</u>	<u>Description of Document</u>
99.1	Press Release dated April 3, 2008

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/ Rick Filippelli

Name: Rick Filippelli

Title: Chief Executive Officer

Date: April 3, 2008

Exhibit Index

<u>Exhibit No.</u>	<u>Description of Document</u>
99.1	Press Release dated April 3, 2008

FOR IMMEDIATE RELEASE**CONTACTS:**

Rick Filippelli, President and CEO
TeamStaff, Inc.
1 Executive Drive
Somerset, NJ 08873
866-352-5304

Donald C. Weinberger/Alisa Steinberg (media)
Wolfe Axelrod Weinberger Associates, LLC
212-370-4500
don@wolfeaxelrod.com
alisa@wolfeaxelrod.com

**TeamStaff Announces Amended Revolving Credit Facility
with Sovereign Business Capital**

Somerset, New Jersey – April 3, 2008 – TeamStaff Inc. (NASDAQ: TSTF) a national provider of healthcare and administrative staffing services, today announced that it entered into a three year, \$3 million amended and restated loan and security agreement with Sovereign Business Capital (“SBC”, formerly Business Alliance Capital Company), a division of Sovereign Bank. Under the loan credit facility, SBC takes assignment of TeamStaff’s prior revolving credit facility with PNC Bank which was first executed in 2005. The credit facility with SBC also contains provisions that will potentially increase the Company’s borrowing capacity as the business grows or a strategic acquisition is considered.

“The amended revolving credit facility is more clearly aligned with our liquidity needs during the upcoming year. The line also provides TeamStaff with flexibility to grow as additional accounts receivable are generated either organically or through acquisitions,” said Rick J. Filippelli, TeamStaff’s President and CEO.

About TeamStaff, Inc.

Headquartered in Somerset, New Jersey, TeamStaff serves clients and their employees throughout the United States as a full-service provider of medical and administrative staffing through its two subsidiaries, TeamStaff Rx and TeamStaff Government Solutions. TeamStaff Rx is a leading provider of travel nursing and travel allied healthcare professionals. TeamStaff Rx operates throughout the U.S. and specializes in the supply of travel allied medical employees and travel nurses typically placed on 13 week assignments. TeamStaff Government Solutions specializes in providing medical and office administration/technical professionals through nationwide Federal Supply Schedule contracts with both the United States General Services Administration and the United States Department of Veterans Affairs. For more information, visit the TeamStaff web site at www.teamstaff.com.

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

This press release contains “forward-looking statements” as defined by the Federal Securities Laws. Statements in this press release regarding TeamStaff, Inc.’s business, which are not historical facts are “forward-looking statements” that involve risks and uncertainties. TeamStaff’s actual results could differ materially from those described in such forward-looking statements as a result of certain risk factors and uncertainties, including but not limited to: our ability to recruit and retain qualified temporary and permanent healthcare professionals and administrative staff upon acceptable terms; our ability to enter into contracts with hospitals, healthcare facility clients, affiliated healthcare networks, physician practice groups, government agencies and other customers on terms acceptable to us and to secure orders related to those contracts; changes in the timing of customer orders for placement of temporary and permanent healthcare professionals and administrative staff; the overall level of demand for our services; our ability to successfully implement our strategic growth, acquisition and integration strategies; the effect of existing or future government legislation and regulation; the loss of key officers and management personnel that could adversely affect our ability to remain competitive; other regulatory and tax developments; and the effect of other 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 Annual Report or Form 10-K for the most recently ended fiscal year. The information in this release should be considered accurate only as of the date of the release. TeamStaff expressly disclaims any current intention to update any forecasts, estimates or other forward-looking statements contained in this press release.
