

ADMINISTRATIVE PROCEEDING
File No. 3-17742

Banking Software Company Agrees to Settle Accounting Charges

December 21, 2016 – The Securities and Exchange Commission announced today that banking software company Jack Henry & Associates, Inc. (“JKHY”) has agreed to settle charges that it materially misstated its financials for fiscal years ending June 30, 2013 and June 30, 2014.

According to the SEC’s order, JKHY materially misstated its revenue, net income, and other financial metrics in certain of its annual and quarterly reports filed with the SEC and in certain of its earnings releases. In particular, the SEC’s order states that JKHY failed to properly record and report revenue from its software license sales in the correct accounting periods because it: (1) improperly separated contracts so closely related that they should have been considered to be parts of a single arrangement; and (2) prematurely recognized revenue from sales of software given its lack of vendor-specific objective evidence of the fair value of undelivered services related to implementation and post-contract support. Also according to the SEC’s order, JKHY’s failures in these areas were caused by inadequate internal controls surrounding revenue recognition.

The SEC’s order finds that JKHY violated Sections 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Securities Exchange Act of 1934 and Rules 12b-20, 13a-1, 13a-11, and 13a-13 thereunder. Without admitting or denying the findings of the SEC’s order, JKHY agreed to a cease-and-desist order and a civil penalty totaling \$780,000.

The SEC’s investigation was conducted by Donald A. Ryba and Robin Andrews and supervised by Amy S. Cotter of the Chicago Regional Office.

See also: [Order](#)