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

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2004

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 0-25890

CENTURY BUSINESS SERVICES, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	22-2769024
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

6050 Oak Tree Boulevard, South, Suite 500, Cleveland, Ohio	44131
(Address of Principal Executive Offices)	(Zip Code)

(Registrant's Telephone Number, Including Area Code) 216-447-9000

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 proceeding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ____

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act).

Yes X No ____

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Class of Common Stock	Outstanding at July 31, 2004
Par value $.01 per share	77,807,929

CENTURY BUSINESS SERVICES, INC. AND SUBSIDIARIES

TABLE OF CONTENTS

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CENTURY BUSINESS SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(IN THOUSANDS)

	JUNE 30, 2004	DECEMBER 31, 2003
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,262	$ 3,791
Restricted cash	12,540	10,880
Accounts receivable, net	118,482	111,222
Notes receivable - current	660	1,315
Income taxes recoverable	-	438
Deferred income taxes - current	3,419	3,667
Other current assets	9,864	7,741
Assets of businesses held for sale	770	821
Current assets before funds held for clients	149,997	139,875
Funds held for clients	36,203	44,917
Total current assets	186,200	184,792
Property and equipment, net	39,866	40,253
Notes receivable - non-current	3,578	2,433
Deferred income taxes - non-current	4,404	4,197
Goodwill and other intangible assets, net	171,382	167,280
Other assets	5,792	3,190
Total assets	$ 411,222	$ 402,145
LIABILITIES		
Current liabilities:		
Accounts payable	$ 28,625	$ 28,641
Income taxes payable	4,115	-
Other current liabilities	35,590	34,331
Liabilities of businesses held for sale	396	515
Current liabilities before client fund obligations	68,726	63,487
Client fund obligations	36,203	44,917
Total current liabilities	104,929	108,404
Bank debt	46,825	14,000
Other non-current liabilities	6,186	1,903
Total liabilities	157,940	124,307
STOCKHOLDERS' EQUITY		
Common stock	961	957
Additional paid-in capital	442,810	441,407
Accumulated deficit	(115,475)	(129,438)
Treasury stock	(75,004)	(35,087)
Accumulated other comprehensive loss	(10)	(1)
Total stockholders' equity	253,282	277,838
Total liabilities and stockholders' equity	$ 411,222	$ 402,145

See the accompanying notes to the consolidated financial statements.

CENTURY BUSINESS SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2004	2003	2004	2003
Revenue	$ 127,151	$ 124,416	$ 274,757	$ 268,570
Operating expenses	113,451	110,408	232,326	226,296
Gross margin	13,700	14,008	42,431	42,274
Corporate general and administrative expense	6,055	4,912	11,434	9,693
Depreciation and amortization expense	4,148	4,318	8,129	8,581
Operating income	3,497	4,778	22,868	24,000
Other income (expense):				
Interest expense	(429)	(297)	(669)	(620)
Gain on sale of operations, net	534	1,784	917	1,784
Other income (expense), net	295	(17)	831	(1,023)
Total other income, net	400	1,470	1,079	141
Income from continuing operations before income tax expense	3,897	6,248	23,947	24,141
Income tax expense	1,319	2,624	9,660	10,221
Income from continuing operations	2,578	3,624	14,287	13,920
Loss from operations of discontinued businesses, net of tax	(196)	(194)	(324)	(489)
Loss on disposal of discontinued businesses, net of tax	-	(183)	-	(183)
Net income	$ 2,382	$ 3,247	$ 13,963	$ 13,248
Earnings per share:				
Basic:				
Continuing operations	$ 0.03	$ 0.04	$ 0.17	$ 0.14
Discontinued operations	-	(0.01)	-	-
Net income	$ 0.03	$ 0.03	$ 0.17	$ 0.14
Diluted:				
Continuing operations	$ 0.03	$ 0.04	$ 0.17	$ 0.14
Discontinued operations	-	(0.01)	-	-
Net income	$ 0.03	$ 0.03	$ 0.17	$ 0.14
Basic weighted average shares outstanding	77,885	95,138	81,661	95,112
Diluted weighted average shares outstanding	80,150	97,178	84,038	97,073

See the accompanying notes to the consolidated financial statements.

CENTURY BUSINESS SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(IN THOUSANDS)

	SIX MONTHS ENDED JUNE 30, 2004	SIX MONTHS ENDED JUNE 30, 2003
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 13,963	$ 13,248
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss from operations of discontinued businesses	324	489
Loss on disposal of discontinued businesses	---	183
Gain on sale of operations	(917)	(1,784)
Bad debt expense, net of recoveries	2,573	2,340
Impairment of notes receivable	---	2,014
Depreciation and amortization	8,129	8,581
Deferred income taxes	41	(4,559)
Changes in assets and liabilities, net of acquisitions and dispositions:		
Restricted cash	(1,660)	4,339
Accounts receivable, net	(12,176)	(19,202)
Other assets	(5,811)	(1,641)
Accounts payable	(106)	5,544
Income taxes	4,553	12,424
Accrued expenses and other liabilities	1,809	(3,431)
Net cash provided by continuing operations	10,722	18,545
Net cash (used in) provided by discontinued operations	(393)	2,840
Net cash provided by operating activities	10,329	21,385
CASH FLOWS FROM INVESTING ACTIVITIES:		
Business acquisitions, net of cash acquired and contingent consideration earned	(3,300)	(1,880)
Cash proceeds from divested operations and client list	3,029	3,843
Additions to property and equipment, net	(4,129)	(5,098)
Net decrease in notes receivable	1,111	272
Net cash used in investing activities	(3,289)	(2,863)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from bank debt	152,575	76,250
Proceeds from notes payable	364	58
Payment of bank debt	(119,750)	(93,750)
Payment of notes payable and capitalized leases	(795)	(1,128)
Payment for acquisition of treasury stock	(39,773)	---
Proceeds from exercise of stock options and warrants	810	141
Net cash used in financing activities	(6,569)	(18,429)
Net increase in cash and cash equivalents	471	93
Cash and cash equivalents at beginning of year	3,791	6,351
Cash and cash equivalents at end of period	$ 4,262	$ 6,444

See the accompanying notes to the consolidated financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X of the U.S. Securities and Exchange Commission. Accordingly, they do not include all of the information and notes required by GAAP for annual financial statements.

In the opinion of management, the accompanying unaudited consolidated financial statements include all adjustments (consisting solely of normal recurring adjustments) considered necessary to present fairly the financial position of Century Business Services, Inc. and its consolidated subsidiaries (CBIZ) as of June 30, 2004, and December 31, 2003, and the results of their operations for the three and six months ended June 30, 2004, and 2003 and cash flows for the six months ended June 30, 2004 and 2003. The results of operations for such interim periods are not necessarily indicative of the results for the full year. For further information, refer to the consolidated financial statements and notes thereto included in CBIZ's annual report on Form 10-K for the year ended December 31, 2003. Also, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" for a discussion of critical accounting policies.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Reclassifications

Certain amounts in the 2003 consolidated financial statements have been reclassified to conform to the current year presentation. Reclassifications include: legal settlements (previously reported as other income (expense), net, which are now reported as corporate general and administrative expense) and discontinued operations.

Operating Expenses

Operating expenses relate to costs incurred directly at the business units, and consist primarily of personnel and occupancy related expenses. Personnel costs include base compensation, payroll taxes, and benefits, which are recognized as expense as they are incurred, and incentive compensation costs which are estimated and accrued on a monthly basis. The ultimate determination of incentive compensation is made after our year-end results are finalized; thus, estimates are subject to change. Total personnel costs were $82.7 million and $81.3 million for the three months ended June 30, 2004 and 2003, and $170.6 million and $168.1 million for the six months ended June 30, 2004 and 2003, respectively.

The largest components of occupancy costs are rent expense and utilities. Rent expense is recognized over respective lease terms, and utilities are recognized as incurred. Total facility costs were $8.8 million and $8.6 million for the three months ended June 30, 2004 and 2003, and $17.8 million and $17.2 million for the six months ended June 30, 2004 and 2003, respectively.

Consolidation and integration charges are included in operating expenses, and are accounted for in accordance with Statement of Financial Accounting Standards No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." Accordingly, CBIZ recognizes a liability for noncancellable lease obligations based upon the net present value of remaining lease payments, net of estimated sublease payments. The liability is determined and recognized as of the cease-use date. Adjustments to the liability are made for changes in estimates in the period in which the change becomes known. See further discussion in note 6.

Funds Held for Clients and Client Fund Obligations

As part of our payroll and property tax management services, CBIZ is engaged in the preparation of payroll checks, federal, state, and local payroll tax returns, and property tax payments. In relation to these services, CBIZ collects funds from its client's accounts in advance of paying these client obligations. Funds that are collected before they are due are held in an account in CBIZ's name and invested in short-term investment grade instruments with a maturity of twelve months or less from the date of purchase. These funds, which may include cash, cash equivalents and short-term investments, are segregated and reported separately as funds held for clients. There are no regulatory or other contractual restrictions placed on these funds. Funds held for clients and the related client fund obligations are included in the consolidated balance sheets as current assets and current liabilities, respectively. The amounts of collected, but not yet remitted funds for CBIZ's payroll and property tax management services vary significantly during the year.

Stock-Based Compensation

CBIZ accounts for its stock-based compensation plans under the intrinsic value method of APB Opinion No. 25, "Accounting for Stock Issued to Employees," and related Interpretations. CBIZ does not recognize compensation expense related to stock options, as all options are granted at an exercise price equal to the market value of the underlying common stock on the date of grant. The following table illustrates the effect on net income and earnings per share as if CBIZ had applied the fair value recognition provisions of SFAS 123 to stock-based employee compensation (in thousands, except per share data).

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2004	2003	2004	2003
Net income as reported	$ 2,382	$ 3,247	$ 13,963	$ 13,248
Fair value of stock-based compensation, net of tax ...	(358)	(816)	(707)	(1,618)
Pro forma net income	$ 2,024	$ 2,431	$ 13,256	$ 11,630
Earnings per share:				
Basic - as reported	$ 0.03	$ 0.03	$ 0.17	$ 0.14
Basic - pro forma	$ 0.03	$ 0.02	$ 0.16	$ 0.12
Diluted - as reported	$ 0.03	$ 0.03	$ 0.17	$ 0.14
Diluted - pro forma	$ 0.03	$ 0.02	$ 0.16	$ 0.12

The above results may not be representative of the effects on net income for future periods, as the level of forfeitures on existing grants and the value and amount of new grants issued in future periods may vary.

New Accounting Pronouncements

Effective January 1, 2004, CBIZ adopted FASB Interpretation No. 46, "Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51" ("FIN 46"), FASB Staff Position ("FSP") 46-e, "Effective Date of Interpretation 46", and revisions to FIN 46 ("FIN 46(R)", "FIN 46(R)-1", "FIN 46(R)-2", "FIN 46(R)-3", and "FIN 46(R)-4"). In accordance with the provisions of the aforementioned standards, CBIZ has determined that its relationship with certain Certified Public Accounting (CPA) firms with whom we maintain administrative service agreements (ASAs), qualify as variable interest entities. The accompanying financial statements do not reflect the consolidation of the variable interest entities, as the impact is not material to the financial condition, results of operations or cash flows of CBIZ.

The CPA firms with which CBIZ maintains service agreements operate as limited liability corporations, limited liability partnerships or professional corporations. The firms are separate legal entities with separate governing bodies and officers. CBIZ has no ownership interest in any of these CPA firms, and neither the existence of the ASAs nor the providing of services thereunder is intended to constitute control of the CPA firms by CBIZ. CBIZ and the CPA firms maintain their own respective liability and risk of loss in connection with performance of each of its respective services, and CBIZ does not believe that its arrangements with these CPA firms result in additional risk of loss. Refer to Item I of our Annual Report on Form 10-K for the year ended December 31, 2003, for a more detailed discussion of our relationship with these CPA firms.

2. ACCOUNTS RECEIVABLE, NET

Accounts receivable balances were as follows (in thousands):

	JUNE 30, 2004	DECEMBER 31, 2003
Trade accounts receivable	$85,406	$82,478
Unbilled revenue	43,977	37,360
Total accounts receivable	129,383	119,838
Less allowance for doubtful accounts ...	(10,901)	(8,616)
Accounts receivable, net	$118,482	$111,222

3. GOODWILL AND OTHER INTANGIBLE ASSETS, NET

The components of goodwill and other intangible assets, net were as follows (in thousands):

	JUNE 30, 2004	DECEMBER 31, 2003
Goodwill	$159,851	$157,815
Intangibles:		
Client lists	15,798	13,493
Other intangibles	897	682
Total intangibles	16,695	14,175
Total goodwill and other intangible assets	176,546	171,990
Less accumulated amortization	(5,164)	(4,710)
Total goodwill and other intangible assets, net	$171,382	$167,280

Client lists are amortized over periods not exceeding ten years. Other intangibles, which consist primarily of non-compete agreements and website development costs, are amortized over periods ranging from two to ten years. Amortization expense of client lists and other intangible assets was approximately $0.4 million and $0.3 million for the three months ended June 30, 2004 and 2003 and $0.8 million and $0.7 million for the six months ended June 30, 2004 and 2003, respectively.

4. BANK DEBT

Bank debt balances were as follows (in thousands, except percentages):

	JUNE 30, 2004	DECEMBER 31, 2003
Bank debt:		
Revolving credit facility ...	$ 46,825	$ 14,000
Weighted average rates(1) ...	3.31%	4.39%
Range of effective rates(1) .	3.06% - 4.75%	3.08% - 5.58%

(1) Rates are provided for the six months ended June 30, 2004, and the twelve months ended December 31, 2003, respectively.

CBIZ maintains a $73.0 million revolving credit facility with a group of four banks. The facility was amended during the first quarter 2004 to allow the repurchase of up to $50.0 million of CBIZ common stock on or before December 31, 2004, and to permit, under limited circumstances, an over-advance of $5.0 million to $10.0 million toward the borrowing base through September 30, 2004. At June 30, 2004, based on the borrowing base calculation, CBIZ had approximately $11.9 million of available funds under its credit facility. Management believes that the carrying amount of bank debt recorded at June 30, 2004, approximates its fair value.

Under the facility, loans are charged an interest rate consisting of a base rate or Eurodollar rate plus an applicable margin. Additionally, a commitment fee of 40 to 50 basis points is charged on the unused portion of the facility. Borrowings and commitments by the banks under the credit facility mature in September 2005. The credit facility is secured by substantially all assets and capital stock of CBIZ and its subsidiaries.

The bank agreement contains financial covenants that require CBIZ to meet certain requirements with respect to (i) minimum net worth; (ii) maximum leverage ratio; and (iii) a minimum fixed charge coverage ratio. Limitations are also placed on CBIZ's ability to acquire businesses, repurchase CBIZ common stock and to divest operations. As of June 30, 2004, CBIZ is in compliance with its covenants.

The bank credit agreement also places restrictions on CBIZ's ability to create liens or other encumbrances, to make certain payments, investments, loans and guarantees and to sell or otherwise dispose of a substantial portion of assets, or to merge or consolidate with an unaffiliated entity. According to the terms of the agreement, CBIZ is not permitted to declare or make any dividend payments, other than dividend payments made by one of its wholly owned subsidiaries to the parent company. The agreement contains a provision that, in the event of a defined change in control, the agreement may be terminated.

In the ordinary course of business, CBIZ provides letters of credit to certain lessors in lieu of security deposits. Letters of credit under the credit facility were $2.8 million and $3.2 million as of June 30, 2004, and December 31, 2003, respectively. CBIZ also acted as guarantor on three letters of credit for a CPA firm with which it has an affiliation. The letters of credit total $1.1 million and $0.7 million as of June 30, 2004, and December 31, 2003, respectively. In accordance with FASB Interpretation No. 45 ("FIN 45"), "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" and its amendments ("FIN 45-1" and "FIN 45-2"), CBIZ has recognized a liability for the fair value of the obligations undertaken in issuing these guarantees, which is recorded as other current liabilities in the accompanying consolidated financial statements. Management does not expect any material changes to result from these instruments as performance is not expected to be required.

5. CONTINGENCIES

Since September 1999, seven purported stockholder class-action lawsuits filed against CBIZ and certain of our current and former directors and officers were consolidated as In Re Century Business Services Securities Litigation, Case No. 1:99CV2200, in the United States District Court for the Northern District of Ohio. The plaintiffs alleged that the named defendants violated certain provisions of the Securities Exchange Act of 1934 and certain rules promulgated thereunder in connection with certain statements made during various periods from February, 1998, through January, 2000, by, among other things, improperly amortizing goodwill and failing to adequately monitor changes in operating results. The United States District Court dismissed the matter with prejudice on June 27, 2002. The matter was appealed by the plaintiffs to the Sixth Circuit Court of Appeals. On March 30, 2004, the Court of Appeals affirmed the dismissal of the plaintiffs' complaint in its entirety. The Court also upheld the lower court's denial of the plaintiffs' request for leave to amend their complaint. CBIZ expects that this opinion and order will end proceedings in this case, although further appeal technically is permissible.

The Company is a defendant in the case In Re Heritage Bond Litigation, 02-ML-1475 DT (RCx), pending in the Central District of California, as well as a related unconsolidated matter in which plaintiffs allege numerous claims, including mismanagement and misappropriation of funds from a bond financing, against unrelated parties, The Heritage Group and its trustee, U.S. Trust. As part of this case, the plaintiffs brought an action against two CBIZ subsidiaries (CBIZ Valuation Group, Inc. and CBIZ Accounting, Tax & Advisory, Inc.) alleging negligence and negligent misrepresentation in connection with the provision of valuation and feasibility study services to The Heritage Group. These claims have been pending since 2001 and relate to services performed from 1996 through 2000.

On April 22, 2004, the Magistrate Judge handling discovery issues in the case entered an order treating CBIZ Valuation as if it had admitted certain facts as a result of the failure by the Company's former outside counsel handling the case to timely file a discovery response. This law firm did not inform the Company or its subsidiary that it had missed the discovery response filing deadline or that the April 22nd order had been entered against the Company's subsidiary.

The Company retained Irell & Manella LLP to represent its subsidiaries in connection with this case going forward. On June 28, 2004, following a hearing before U.S. District Court Judge Dickran Tevrizian, the Court granted the motion of CBIZ Valuation to reconsider and set aside the Magistrate Judge's earlier order. The admissions have been withdrawn and CBIZ Valuation has filed a proper response to the requests for admissions. Although the Company cannot predict the outcome of this case, the Company continues to believe that it has a strong defense to the claims against its subsidiaries.

The Company has received from the plaintiffs offers and demands to settle these suits for approximately $13.0 million. Discovery in these matters currently is set to continue through August 2004. Although the ultimate disposition of this proceeding is not presently determinable, management continues to believe that the ultimate resolution of this matter will not have a material adverse effect on the financial condition, results of operations or cash flows of CBIZ.

In addition to those items disclosed above, CBIZ is from time to time subject to claims and suits arising in the ordinary course of business. Although the ultimate disposition of such proceedings is not presently determinable, management does not believe that the ultimate resolution of these matters will have a material adverse effect on the financial condition, results of operations or cash flows of CBIZ.

6. CONSOLIDATION AND INTEGRATION CHARGES

In an effort to meet its strategy to deliver services to clients conveniently, and to promote cross-serving between various practice groups, CBIZ has initiated consolidation activities in several markets, including a consolidation of the Dallas market during the first quarter of 2004. Consolidation and integration charges include non-cancelable lease obligations, adjustments to lease accruals based on sublease assumptions, severance obligations, and other costs such as moving costs. During the first six months of 2004 and 2003 there were no significant charges related to consolidation and integration activity.

Consolidation and integration reserve balances for leases as of December 31, 2003, and activity during the six-month period ended June 30, 2004, was as follows (in thousands):

	LEASE CONSOLIDATION
Reserve balance at December 31, 2003	$ 2,804
Amounts adjusted against income (1)	306
Payments	(1,218)
Reserve balance at June 30, 2004 ...	$ 1,892

(1) Amounts adjusted against income are included in operating expenses in the accompanying consolidated statements of operations.

7. EARNINGS PER SHARE

CBIZ presents both basic and diluted earnings per share. The following data shows the amounts used in computing earnings per share and the effect on the weighted average number of dilutive potential common shares (in thousands, except per share data).

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2004	2003	2004	2003
NUMERATOR:				
Net income	$ 2,382	$ 3,247	$13,963	$13,248
DENOMINATOR:				
BASIC				
Weighted average common shares	77,885	95,138	81,661	95,112
DILUTED				
Options, restricted stock awards and contingent shares(1)	2,265	2,040	2,377	1,961
Total	80,150	97,178	84,038	97,073
Basic net income per share	$ 0.03	$ 0.03	$ 0.17	$ 0.14
Diluted net income per share ...	$ 0.03	$ 0.03	$ 0.17	$ 0.14

(1) Contingent shares represent shares that will not be issued until future conditions have been met.

8. ACQUISITIONS

During the six months ended June 30, 2004, CBIZ completed the acquisition of a benefits and insurance firm in Chicago, Illinois, an accounting tax and advisory firm in Denver, Colorado, and a technology firm in Cleveland, Ohio which is reported as part of our National Practices - Other segment. Consideration consisted of approximately $2.9 million cash and 136,000 shares of restricted common stock (estimated stock value of $0.6 million at acquisition) paid at closing, and up to an additional $5.7 million (payable in cash and stock) which is contingent on the businesses meeting certain future revenue and earnings targets.

During the six months ended June 30, 2003, CBIZ completed the acquisition of a benefits and insurance firm in Boca Raton, Florida, and the client lists of two benefits agencies. CBIZ also completed the acquisition of an accounting, tax and advisory firm in Orange County, California. The aggregate purchase price of the acquisitions was approximately $6.6 million, comprised of $1.8 million in cash and 177,000 shares of restricted common stock (estimated stock value of $0.3 million at acquisition) paid at closing, and up to an additional $4.5 million cash which is contingent on the businesses meeting certain future revenue targets.

The operating results of these firms and client lists have been included in the accompanying consolidated financial statements since the dates of acquisition. The excess of purchase price over fair value of net assets acquired was allocated to goodwill, client lists, and non-compete agreements. Acquisitions, including contingent consideration earned, resulted in increases to goodwill, client lists and other intangible assets during the six months ended June 30, 2004, of $2.3 million, $2.8 million, and $0.2 million, respectively. Acquisitions completed during the six months ended June 30, 2003 resulted in increases to goodwill, client lists and other intangible assets of $0.1 million, $2.6 million, and $0.1 million, respectively.

9. DIVESTITURES

During the first quarter of 2004, CBIZ sold an Accounting, Tax, and Advisory (ATA) business operation and a client list within the ATA practice group, for aggregate proceeds of $0.5 million cash and $0.4 million notes receivable. The sales resulted in a $0.4 million pretax gain, which is reported as gain on sale of operations, net from continuing operations in the consolidated financial statements. These sales did not satisfy the criteria for treatment as discontinued operations.

During the second quarter of 2004, CBIZ sold two client lists and related assets within the ATA practice group, a client list and related assets within the B&I practice group, and committed to the disposal of a business unit within the National Practices practice group. The client lists and related assets were sold for aggregate proceeds of $2.5 million cash, $0.7 million notes receivable, and CBIZ stock valued at $0.1 million, and resulted in a $0.5 million pretax gain which is reported as gain on sale of operations, net from continuing operations in the consolidated financial statements. The National Practices business unit satisfied the criteria for treatment as a discontinued operation, and is classified as such in the accompanying consolidated financial statements.

During the first quarter of 2003, there were no transactions related to the sale of a business or client list, commitments to sell a business, or classifications of a unit as a discontinued operation. During the second quarter of 2003, CBIZ sold two businesses within the B&I practice group for aggregate proceeds of $4.2 million cash. These sales resulted in a $1.8 million pretax gain, which is reported as gain on sale of operations, net from continuing operations in the consolidated financial statements. These sales did not satisfy the criteria for treatment as discontinued operations.

10. SEGMENT DISCLOSURES

CBIZ's business units have been aggregated into three practice groups: Accounting, Tax and Advisory Services, Benefits and Insurance and National Practices. The business units have been aggregated based on the following factors: similarity of the products and services; similarity of the regulatory environment; the long-term performance of these units is affected by similar economic conditions; and the business is managed along these segment lines, which each report to a Practice Group Leader. The medical practice management unit under the National Practices group exceeds the quantitative threshold of SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," prompting CBIZ to disclose this reporting unit separately.

Accounting, Tax and Advisory Services. The Accounting, Tax and Advisory Services practice group offers services in the following areas: cash flow management; strategic planning; consulting; record-keeping; federal, state and local tax return preparation; tax planning based on financial and investment alternatives; tax structuring of business transactions such as mergers and acquisitions; quarterly and year-end payroll tax reporting; corporate, partnership and fiduciary tax planning and return preparation; outsourced chief financial officer services and other financial staffing services; financial investment analysis; succession, retirement, and estate planning; profitability, operational and efficiency enhancement consulting to a number of specialized industries; internal audit services; and Sarbanes-Oxley consulting and compliance services.

Benefits and Insurance Services. The Benefits and Insurance practice group offers services in the following areas: employee benefits, brokerage, consulting, and administration, including the design, implementation and administration of qualified plans, such as 401(k) plans, profit-sharing plans, defined benefit plans, and money purchase plans; actuarial services; health and welfare benefits consulting, including group health insurance plans; dental and vision care programs; group life insurance programs; accidental death and dismemberment and disability programs; COBRA administration and voluntary insurance programs; health care and dependent care spending accounts; premium reimbursement plans; communications services to inform and educate employees about their benefit programs; executive benefits consulting on non-qualified retirement plans and business continuation plans; specialty high-risk life insurance; employee benefit worksite marketing; and wealth management services, including Registered Investment Advisory Services, Investment Policy Statements, also known as IPS, mutual fund selection based on IPS and ongoing mutual fund monitoring.

National Practices. The National Practices group offers services in the following areas: payroll processing and administration; valuations of commercial, tangible, and intangible assets and financial securities; mergers and acquisitions and capital advisory services, health care consulting, government relations; process improvement; and technology consulting, including strategic technology planning, project management, development, network design and implementation and software selection and implementation.

Medical Practice Management. CBIZ Medical Management Professionals (CBIZ MMP), CBIZ's medical practice management subsidiary of the National Practice group, offers services in the following areas: billing and accounts receivable management; coding and automated claims filing; comprehensive delinquent claims follow up and collections; compliance plans to meet government and other third party regulations; local office management; and comprehensive statistical and operational reporting; financial reporting, accounts payable, payroll, general ledger processing; design and implementation of managed care contracts with focus on negotiation strategies, pricing, cost containment and utilization tracking; review and negotiation of hospital contracts; evaluation of other strategic business partners; identification and coordination of practice manager and integration opportunities; and coordination of practice expansion efforts.

Corporate and other charges represent costs at the corporate office that are not allocated to the business units.

Segment information for the three and six-month periods ended June 30, 2004 and 2003 were as follows (in thousands):

	THREE MONTHS ENDED JUNE 30, 2004					
			NATIONAL PRACTICE GROUP			
	ACCOUNTING TAX & ADVISORY	BENEFITS & INSURANCE	MEDICAL PRACTICE MGMT.	NATIONAL PRACTICE - OTHER	CORPORATE AND OTHER	TOTAL
Revenue	$ 49,679	$ 38,892	$ 21,519	$ 17,061	$ --	$ 127,151
Operating expenses	45,978	32,041	17,814	15,425	2,193	113,451
Gross margin	3,701	6,851	3,705	1,636	(2,193)	13,700
Corporate general & administrative	-	-	-	-	6,055	6,055
Depreciation and amortization	960	795	675	202	1,516	4,148
Operating income (loss)	2,741	6,056	3,030	1,434	(9,764)	3,497
Other income (expense):						
Interest expense	(13)	(7)	-	-	(409)	(429)
Gain on sale of operations, net	-	-	-	-	534	534
Other income (expense), net	44	105	(8)	119	35	295
Total other income (expense), net	31	98	(8)	119	160	400
Income (loss) from continuing operations before income taxes	$ 2,772	$ 6,154	$ 3,022	$ 1,553	$ (9,604)	$ 3,897

	THREE MONTHS ENDED JUNE 30, 2003					
			NATIONAL PRACTICE GROUP			
	ACCOUNTING TAX & ADVISORY	BENEFITS & INSURANCE	MEDICAL PRACTICE MGMT.	NATIONAL PRACTICE - OTHER	CORPORATE AND OTHER	TOTAL
Revenue	$ 50,058	$ 38,490	$ 18,670	$ 17,198	$ --	$ 124,416
Operating expenses	45,347	30,722	15,229	17,573	1,537	110,408
Gross margin	4,711	7,768	3,441	(375)	(1,537)	14,008
Corporate general & administrative	-	-	-	-	4,912	4,912
Depreciation and amortization	1,237	730	646	273	1,432	4,318
Operating income (loss)	3,474	7,038	2,795	(648)	(7,881)	4,778
Other income (expense):						
Interest expense	(14)	(21)	-	-	(262)	(297)
Gain on sale of operations, net	-	-	-	-	1,784	1,784
Other income (expense), net	42	33	(90)	(71)	69	(17)
Total other income (expense), net	28	12	(90)	(71)	1,591	1,470
Income (loss) from continuing operations before income taxes	$ 3,502	$ 7,050	$ 2,705	$ (719)	$ (6,290)	$ 6,248

	SIX MONTHS ENDED JUNE 30, 2004					
			NATIONAL PRACTICE GROUP			
	ACCOUNTING TAX & ADVISORY	BENEFITS & INSURANCE	MEDICAL PRACTICE MGMT.	NATIONAL PRACTICE - OTHER	CORPORATE AND OTHER	TOTAL
Revenue	$ 120,408	$ 76,932	$ 42,059	$ 35,358	$ --	$ 274,757
Operating expenses	95,315	64,166	35,211	31,471	6,163	232,326
Gross margin	25,093	12,766	6,848	3,887	(6,163)	42,431
Corporate general & administrative	-	-	-	-	11,434	11,434
Depreciation and amortization	1,870	1,532	1,337	416	2,974	8,129
Operating income (loss)	23,223	11,234	5,511	3,471	(20,571)	22,868
Other income (expense):						
Interest expense	(18)	(15)	-	-	(636)	(669)
Gain on sale of operations, net	-	-	-	-	917	917
Other income (expense), net	259	83	(8)	284	213	831
Total other income (expense), net	241	68	(8)	284	494	1,079
Income (loss) from continuing operations before income taxes	$ 23,464	$ 11,302	$ 5,503	$ 3,755	$ (20,077)	$ 23,947

	SIX MONTHS ENDED JUNE 30, 2003					
			NATIONAL PRACTICE GROUP			
	ACCOUNTING TAX & ADVISORY	BENEFITS & INSURANCE	MEDICAL PRACTICE MGMT.	NATIONAL PRACTICE - OTHER	CORPORATE AND OTHER	TOTAL
Revenue	$ 119,032	$ 78,371	$ 36,248	$ 34,919	$ --	$ 268,570
Operating expenses	93,253	62,805	30,384	35,836	4,018	226,296
Gross margin	25,779	15,566	5,864	(917)	(4,018)	42,274
Corporate general & administrative	-	-	-	-	9,693	9,693
Depreciation and amortization	2,477	1,484	1,247	578	2,795	8,581
Operating income (loss)	23,302	14,082	4,617	(1,495)	(16,506)	24,000
Other income (expense):						
Interest expense	(27)	(44)	(1)	(1)	(547)	(620)
Gain on sale of operations, net	-	-	-	-	1,784	1,784
Other income (expense), net	120	85	(91)	151	(1,288)	(1,023)
Total other income (expense), net	93	41	(92)	150	(51)	141
Income (loss) from continuing operations before income taxes	$ 23,395	$ 14,123	$ 4,525	$ (1,345)	$ (16,557)	$ 24,141

11. DISCONTINUED OPERATIONS

During 2003, CBIZ adopted formal plans to divest of five business operations, all of which were sold or closed by December 31, 2003. During the second quarter of 2004, CBIZ committed to the disposal of a business unit within the National Practices practice group, which remains available for sale at June 30, 2004. These business operations are reported as discontinued operations and the net assets, net liabilities and results of operations are reported separately in the consolidated financial statements.

Revenue and loss from operations of discontinued businesses for the three and six months ended June 30, 2004 and 2003 were as follows (in thousands):

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2004	2003	2004	2003
Revenue	$ 260	$ 2,251	$ 632	$ 4,826
Loss from operations of discontinued businesses before income taxes	(347)	(278)	(503)	(715)
Income tax benefit	(151)	(84)	(179)	(226)
Loss from operations of discontinued businesses, net of tax	$ (196)	$ (194)	$ (324)	$ (489)

The assets and liabilities of the business units classified as discontinued operations consisted of the following (in thousands):

	JUNE 30, 2004	DECEMBER 31, 2003
Accounts receivable, net	$ 467	$ 479
Property and equipment, net	273	286
Deferred tax asset, net	23	23
Other assets	7	33
Assets of businesses held for sale	$ 770	$ 821
Accounts payable	$ 215	$ 110
Other current liabilities	181	405
Liabilities of businesses held for sale	$ 396	$ 515

Loss on disposal of discontinued businesses for the three and six months ended June 30, 2003 was $0.3 million before tax and $0.2 million net of tax. There were no gains or losses recorded for the disposal of a discontinued business during the three or six months ended June 30, 2004.

12. SUBSEQUENT EVENTS

Effective August 9, 2004, CBIZ modified its credit facility increasing the total commitment to $100.0 million. In addition to lowering the Company's cost of borrowing, the facility provides CBIZ additional flexibility and funding to support operations and other strategic initiatives, including acquisitions and share repurchases. The covenants and restrictions on dividend payments are similar to those under the previous facility. The new facility will expire in August 2009.

CBIZ repurchased 130,300 shares of its common stock in the open market subsequent to June 30, 2004. The shares were repurchased for an average price of $4.21 per share, or $0.5 million, under a plan approved by the Board of Directors on March 3, 2004 and supplemented on May 27, 2004.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless the context otherwise requires, references in this Form 10-Q to "we", "our", "CBIZ", or the "Company" shall mean Century Business Services, Inc., a Delaware corporation, and its operating subsidiaries.

The following discussion is intended to assist in the understanding of CBIZ's financial position at June 30, 2004 and December 31, 2003, and results of operations for the three and six months ended June 30, 2004 and 2003 and cash flows for the six months ended June 30, 2004 and 2003, and should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and in conjunction with our Annual Report on Form 10-K for the fiscal year ended December 31, 2003.

EXECUTIVE SUMMARY

CBIZ is a diversified services company which, acting through its subsidiaries, provides professional outsourced business services to businesses of various sizes, as well as individuals, governmental entities and not-for-profit enterprises throughout the United States and Toronto, Canada. CBIZ delivers integrated services through three practice groups: Accounting, Tax and Advisory (ATA); Benefits and Insurance (B&I); and National Practices.

CBIZ's business strategy is to grow in the professional outsourced business services industry by:

- offering a wide array of infrastructure support services;
- cross-serving these services to our existing customer base;
- attracting new customers with our diverse business services offerings;
- leveraging our practice area expertise across all our businesses; and
- developing our core service offerings in target markets through selective acquisitions.

CBIZ seeks to strengthen its operations and customer service capabilities by making acquisitions in markets where it currently operates and where the prospects are favorable to increase its market share and become a more significant provider of a comprehensive range of outsourced business services. During the six months ended June 30, 2004, CBIZ has acquired three businesses, two of which were acquired during the second quarter. Businesses acquired include a benefits and insurance firm in Chicago, Illinois, an accounting tax and advisory firm in Denver, Colorado, and a technology firm in Cleveland, Ohio. CBIZ expects the acquisition rate to increase in the second half of 2004 and into next year, and has recently hired an internal resource devoted to driving this activity.

CBIZ continually evaluates its business operations, and may from time to time sell or close operations that are underperforming, located in secondary markets, or do not provide the level of synergistic cross-serving opportunities with other CBIZ businesses that is desired. During the first quarter of 2004, CBIZ sold a business operation and a client list within the accounting, tax and advisory practice group. During the second quarter of 2004, CBIZ sold two client lists and related assets within the ATA practice group, and a client list and related assets within the B&I practice group. In addition, CBIZ has committed to the disposal of a business unit within the National Practices practice group, which remains available for sale at June 30, 2004.

A disproportionately large amount of CBIZ's revenue occurs in the first half of the year, primarily in the first quarter. This is due to the Company's accounting and tax practice, which is subject to seasonality related to heavy volume in the first four months of the year. These higher revenue levels are supported by operating costs that are primarily fixed in nature, and thus result in higher operating margins in the first half of the year. For the year ended December 31, 2003, total ATA revenue of $203.4 million was earned in the following proportions: 33.9%, 24.6%, 20.9% and 20.6% in each of the quarters ended March 31, June 30, September 30, and December 31, 2003, respectively.

CBIZ believes that repurchasing shares of its common stock is a use of cash that provides value to stockholders, and accordingly completed a tender offer in April 2004. The tender offer resulted in the purchase of approximately 7.5 million shares of common stock at a purchase price of $5.00 per share, or a total cost of approximately $37.5 million. In addition, CBIZ completed open market repurchases of approximately 464,000 shares at a cost of approximately $2.0 million through June 30, 2004. The credit facility and net cash provided by CBIZ operations, were utilized to fund the share repurchases.

Effective August 9, 2004, CBIZ completed a modification of its credit facility. The new facility has a total commitment amount of $100 million, and expires August 2009. The modified credit facility is discussed in further detail in note 12 to the accompanying consolidated financial statements.

OUTSOURCED BUSINESS SERVICES

A comprehensive description of the outsourced business services currently offered by CBIZ through its three practice groups is included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2003. Following is a further description of the services provided through our Accounting, Tax and Advisory (ATA) practice group.

The ATA practice group does not offer audit and attest services, but it does maintain joint-referral relationships with independent licensed CPA firms. These firms are owned by licensed CPAs who are employed by CBIZ subsidiaries, and provide audit and attest services to clients including CBIZ's clients. Under our service agreements with these firms, we provide administrative services, office space and staff in exchange for a fee. Revenue from these agreements is reflected in our financial statements and amounts to approximately $15.0 million and $46.7 million for the three and six months ended June 30, 2004, respectively, a majority of which is related to services rendered to privately-held clients. With respect to CPA firm clients that are required to file audited financial statements with the SEC, the SEC staff views CBIZ and the CPA firms with which we have contractual relationships as a single entity in applying independence rules established by the accountancy regulators and the SEC. Accordingly, we do not hold any financial interest in an SEC-reporting attest client of an associated CPA firm, enter into any business relationship with an SEC-reporting attest client that the CPA firm performing an audit could not maintain, or sell any non-audit services to an SEC-reporting attest client that the CPA firm performing an audit could not maintain, under the auditor independence limitations set out in the Sarbanes-Oxley Act of 2002 and other professional accountancy independence standards. Applicable professional standards generally permit the ATA practice group to provide additional services to privately-held companies, in addition to those services which may be provided to SEC-reporting attest clients of an associated CPA firm. CBIZ and the CPA firms with which we are associated have implemented policies and procedures designed to enable us to maintain independence and freedom from conflicts of interest in accordance with applicable standards. Given the pre-existing limits set by CBIZ on its relationships with SEC-reporting attest clients of associated CPA firms, and the limited number and size of such clients, the imposition of Sarbanes-Oxley Act independence limitations did not and is not expected to materially affect CBIZ revenue.

RESULTS OF OPERATIONS - CONTINUING OPERATIONS

FOR THE THREE MONTHS ENDED JUNE 30, 2004 AND 2003

OPERATING PRACTICE GROUPS

CBIZ currently delivers products and services through three practice groups. A brief description of these groups' operating results and factors affecting their businesses is provided below.

ACCOUNTING, TAX AND ADVISORY SERVICES. The ATA group contributed approximately $49.7 million and $50.1 million of revenue, or approximately 39.1% and 40.2% of CBIZ's total revenue for the three months ended June 30, 2004 and 2003, respectively. The increase in revenue attributable to acquisitions was $1.6 million, most of which was derived from Sarbanes-Oxley consulting services from CBIZ Harborview, which was acquired in September 2003. Revenue declined by $0.5 million due to divestitures. For ATA businesses with a full period of operations for the three months ended June 30, 2004 and 2003, same-unit revenue decreased approximately $1.5 million, or 3.0%. While hourly rates charged to clients have not changed significantly from the prior year, the aggregate number of hours charged to clients has declined slightly due to a reduction in headcount from a year ago. Therefore, the decrease is same-unit revenue is primarily attributable to fewer hours charged to clients, resulting from reduced capacity, specifically in four of our larger units. Gross margins decreased from 9.4% in 2003 to 7.4% in 2004 primarily due to the decrease in same unit revenues combined with increases in facility costs associated with consolidations completed in 2003.

BENEFITS AND INSURANCE SERVICES. The Benefits and Insurance group contributed approximately $38.9 million and $38.5 million of revenue, or approximately 30.6% and 31.0% of CBIZ's total revenue for the three months ended June 30, 2004 and 2003, respectively. Acquisitions accounted for an increase in revenue of $0.7 million compared to the second quarter of 2003, offset by a decrease in revenue of $2.3 million compared to the second quarter of 2003, related to the divestiture of the Health Administration Services unit in May, 2003. For Benefits and Insurance businesses with a full period of operations for the three months ended June 30, 2004 and 2003, same-unit revenue increased $2.0 million, or 5.6%, primarily attributable to an increase in specialty life insurance sales.

Gross margin for the Benefits and Insurance group for the three months ended June 30, 2004 was 17.6% as compared to 20.2% for the three months ended June 30, 2003. The decline in margin is a result of additional investment in sales personnel during 2004. CBIZ expects the investments in sales personnel to result in margin improvement in future periods, once they have had time to establish their productions levels. In addition, a significant decline in gross margin is attributable to one of the national businesses within the benefits and insurance group. This unit has experienced significant growth over the last several years, which has resulted in system, client service, and other operational challenges as a result of the rapid growth. CBIZ has allocated resources to support the current level of revenue and future growth, and is in the process of implementing new systems, including a new client service interface. Revenue adjustments resulting from higher policy terminations than originally estimated, combined with higher expenses to support growth by this unit resulted in a decrease in the gross margin of approximately $0.7 million.

NATIONAL PRACTICES SERVICES. The National Practices group contributed approximately $38.6 million and $35.8 million of revenue, or approximately 30.3% and 28.8% of CBIZ's total revenue for the quarters ended June 30, 2004 and 2003, respectively.

CBIZ Medical Management Professionals (CBIZ MMP). CBIZ's medical practice management unit, which is included in the results of the National Practices group, contributed approximately $21.5 million and $18.6 million, or 16.9% and 15.0%, of CBIZ's total revenue for the three months ended June 30, 2004 and 2003, respectively. CBIZ MMP's revenue growth of 15.3% compared to second quarter a year ago is primarily attributable to the addition of new clients obtained since the second quarter of 2003. Gross margin for CBIZ MMP for the three months ended June 30, 2004 was 17.2% as compared to 18.4% for the three months ended June 30, 2003. The decline in gross margin is primarily attributable to investments made in human capital to support and facilitate its growth.

National Practice Services - Other. The other units within the National Practices group, excluding CBIZ MMP, contributed approximately $17.1 million and $17.2 million of revenue, or approximately 13.4% and 13.8% of CBIZ's total revenue for the three months ended June 30, 2004 and 2003, respectively. Same-unit revenue increased $0.5 million and the acquisition of a technology business accounted for $0.3 million of the increase. These increases were offset by a decline in revenue of $0.9 million related to the closure of unprofitable locations in the property tax and technology businesses during 2003. Approximately $0.8 million increase in same-unit revenue was a result of two transactions closed during the second quarter of 2004 in CBIZ's mergers and acquisition business offset by weaker revenue in CBIZ's healthcare consulting and valuation businesses. Gross margin for National Practices - Other for the three months ended June 30, 2004 was 9.6% as compared to a loss of 2.2% for the three months ended June 30, 2003. The improvement in gross margin is attributable to revenue associated with the mergers and acquisitions business, combined with improvements and operational efficiencies in the payroll, technology and valuation businesses.

Revenue

Total revenue for the three months ended June 30, 2004 was $127.2 million as compared to $124.4 million for the three months ended June 30, 2003, representing an increase of $2.8 million, or 2.2%. The increase in revenue attributable to acquisitions completed subsequent to June 30, 2003 was $2.6 million, and was offset by a decrease in revenue of $3.7 million due to divestitures completed subsequent to June 30, 2003. For business units with a full period of operations for the three months ended June 30, 2004 and 2003, revenue increased $3.9 million or 3.2%. A more comprehensive analysis of revenue by each operating practice group is discussed above.

Expenses

Operating expenses increased to $113.5 million for the three-month period ended June 30, 2004, from $110.4 million for the comparable period in 2003, an increase of $3.1 million or 2.8%. The primary components of operating expenses are personnel costs and occupancy expense, representing 80.6% and 81.5% of total operating expenses for the three months ended June 30, 2004 and 2003, respectively.

The increase in operating expenses supported growth in revenue, remaining relatively consistent as a percent of revenue at 88.7% and 88.5% (excluding consolidation and integration charges) for the three months ended June 30, 2004 and 2003, respectively. The slight increase as a percent of revenue was driven by increases in direct costs, professional fees and equipment costs, offset by efficiencies gained in personnel costs. Direct costs increased as a percent of revenue to 4.6% for the three months ended June 30, 2004 from 4.4% for the comparable period in 2003, primarily due to a higher portion of revenue in the B&I practice group being generated with third party brokers. Professional fees increased as a percent of revenue to 1.7% from 1.2% for the three months ended June 30, 2004 and 2003, respectively, driven by the acquisition of two Accounting, Tax and Advisory firms in the second and third quarters of 2003, that utilize external consultants to deliver services to clients. Personnel costs were $82.7 million or 65.0% of total revenue for the three months ended June 30, 2004 and $81.3 million or 65.4% of total revenue for the three months ended June 30, 2003. Personnel costs decreased as a percent of revenue due to efficiencies gained through staff reductions in the ATA practice group. Staff reductions were somewhat offset by the addition of personnel in wealth management, benefits services and medical management to support revenue growth, and by annual merit increases in compensation that occurred in April, 2004.

Consolidation and integration charges are reported as operating expenses in the accompanying consolidated financial statements, and increased as a percent of revenue to 0.5% from 0.3% for the three months ended June 30, 2004 and 2003, respectively. The increase in restructuring expenses occurred as the result of an adjustment to our estimated noncancellable lease obligations in the second quarter of 2004.

Corporate general and administrative expenses increased to $6.1 million for the three-month period ended June 30, 2004, from $4.9 million for the comparable period in 2003. Corporate general and administrative expenses represented 4.8%, and 4.0% of total revenues for the three-month periods ended June 30, 2004 and 2003, respectively. The increase in corporate general and administrative expenses as a percent of revenues is primarily the result of legal fees, settlements (net of recoveries), and litigation reserves incurred to address several long-standing litigation issues. Annual merit increases in compensation that occurred in April, 2004 also contributed to this increase.

Depreciation and amortization expense decreased to $4.1 million for the three-month period ended June 30, 2004, from $4.3 million for the comparable period in 2003, a decrease of $0.2 million, or 3.9%. The decrease is primarily attributable to the shift from purchasing computer-related items and furniture to leasing such items. These operating lease costs are recorded as operating expenses, rather than capitalized and recorded as depreciation, and total $0.6 million for the quarter ended June 30, 2004 and $0.3 million for the quarter ended June 30, 2003. As a percentage of total revenue, depreciation and amortization expense was 3.3% for the three-month period ended June 30, 2004, compared to 3.5% for the comparable period in 2003.

Interest expense increased to $0.4 million for the three-month period ended June 30, 2004, from $0.3 million for the comparable period in 2003, an increase of $0.1 million, or 44.4%. The increase is the result of higher average debt during the second quarter of 2004, of $48.1 million, compared to $10.7 million during the second quarter of 2003. Higher debt in the second quarter of 2004 is due primarily to share repurchase activity, and is further described under "Liquidity and Capital Resources". The increase in interest expense due to the higher debt balance was offset by a decrease in average interest rates to 3.29% for the three months ended June 30, 2004 from 4.57% for the three months ended June 30, 2003. Additionally, interest expense for the second quarter of 2003 included fees related to an interest rate swap that was terminated during the third quarter of 2003.

Gain on sale of operations, net was $0.5 million for the three months ended June 30, 2004, and was related to the sale of two client lists and related assets in the ATA practice group, and a client list and related assets in the B&I practice group. For the three months ended June 30, 2003, gain on sale of operations, net was $1.8 million and related primarily to the sale of Health Administrative Services (HAS) from the B&I practice group. A small business from the ATA practice group was also sold during the second quarter of 2003.

CBIZ reported other income of $0.3 million for the three-month period ended June 30, 2004, compared to other expense of $17,000 for the comparable period in 2003, an increase $0.3 million. Other income (expense), net is comprised primarily of interest income earned on funds held for clients at CBIZ's payroll business, income earned on assets held in a rabbi trust related to the deferred compensation plan implemented in the first quarter of 2004, gains and losses on sale of assets, and miscellaneous income such as contingent royalties from previous divestitures. The change in the second quarter of 2004 from the second quarter of 2003 is primarily related to $0.4 million of impairment charges to notes receivable during the second quarter of 2003 that did not recur in the second quarter of 2004.

CBIZ recorded income tax expense from continuing operations of $1.3 million and $2.6 million for the three-month periods ended June 30, 2004 and 2003, respectively. The effective tax rate decreased to 33.8% for the three-month period ended June 30, 2004, from 42.0% for the comparable period in 2003. The effective tax rate for the quarter ended June 30, 2004 is lower than the effective tax rate as applied to year to date income (40.3%) primarily due to the realization in this quarter of the cumulative effects of a reduction in the effective tax rate from the rate used for the quarter ended March 31, 2004 (41.8%).

FOR THE SIX MONTHS ENDED JUNE 30, 2004 AND 2003

ACCOUNTING, TAX AND ADVISORY SERVICES. The ATA group contributed approximately $120.4 million and $119.0 million of revenue, or approximately 43.8% and 44.3% of CBIZ's total revenue for the six months ended June 30, 2004 and 2003, respectively. Acquisitions resulted in an increase in revenue of $3.5 million, primarily related to Sarbanes-Oxley consulting services from the acquisition CBIZ Harborview, offset by a decrease in revenue of $1.6 million resulting from divestitures. For ATA businesses with a full period of operations for the six months ended June 30, 2004 and 2003, same-unit revenue decreased approximately $0.5 million, or 0.4% due to fewer hours charged to clients, as a result of reduced headcount from a year ago. Gross margins decreased from 21.7% in 2003 to 20.8% in 2004 primarily due to the net decrease in same unit revenue and increased facility and equipment costs associated with consolidations completed in 2003.

BENEFITS AND INSURANCE SERVICES. The Benefits and Insurance group contributed approximately $76.9 million and $78.4 million of revenue, or approximately 28.0% and 29.2% of CBIZ's total revenue for the six months ended June 30, 2004 and 2003, respectively. Acquisitions accounted for an increase in revenue of $1.4 million, offset by a decrease in revenue of $5.5 million, related to the divestiture of the Health Administration Services unit in May, 2003. For Benefits and Insurance businesses with a full period of operations for the six months ended June 30, 2004 and 2003, same-unit revenue increased $2.6 million, or 3.6%, mainly due to higher commission bonus payments from carriers and increased specialty life insurance sales. Gross margin for the Benefits and Insurance group for the six months ended June 30, 2004 was 16.6% as compared to 19.9% for the six-months ended June 30, 2003.

The decline in gross margin is a result of additional investment in sales personnel during 2004. CBIZ expects these investments in sales personnel to result in margin improvement in future periods, once they have had time to establish their productions levels. In addition, significant decline in gross margin is attributable to one of the national businesses within the benefits and insurance group. This unit has experienced significant growth over the last several years, which has resulted in system, client service, and other operational challenges as a result of the rapid growth. CBIZ has allocated resources to support the current level of revenue and future growth, and is in the process of implementing new systems, including a new client service interface. Revenue adjustments resulting from higher policy terminations than originally estimated, combined with higher expenses to support growth by this unit resulted in a decrease in the gross margin of approximately $2.5 million.

NATIONAL PRACTICES SERVICES. The National Practices group contributed approximately $77.5 million and $71.2 million of revenue, or approximately 28.2% and 26.5% of CBIZ's total revenue for the six months ended June 30, 2004 and 2003, respectively.

CBIZ Medical Management Professionals (CBIZ MMP). CBIZ's medical practice management unit, which is included in the results of the National Practices group, contributed approximately $42.1 million and $36.2 million, or 15% and 14%, of CBIZ's total revenue for the six months ended June 30, 2004 and 2003, respectively. CBIZ MMP's revenue growth of 16.0% is primarily attributable to the addition of new clients obtained in the first six months of 2004 along with the maturation of clients obtained in the fourth quarter of 2003. Gross margin for CBIZ MMP for the six months ended June 30, 2004 was 16.3% as compared to 16.2% for the six months ended June 30, 2003. The gross margins remained flat as the investments in human capital discussed above were offset by stronger new client sales and stronger existing client sales for the six months ended June 30, 2004 as compared to the six months ended June 30, 2003.

National Practice Services - Other. The other units within the National Practices group, excluding CBIZ MMP, contributed approximately $35.4 million and $35.0 million of revenue, or approximately 12.9% and 13.0% of CBIZ's total revenue for the six months ended June 30, 2004 and 2003, respectively. Same-unit revenue increased $1.9 million and the acquisition of a technology business accounted for $0.3 million of the increase. These increases were offset by a decline in revenue of $1.8 million related to the closure of unprofitable locations in the property tax and technology businesses during 2003. Approximately $2.6 million of the same-unit revenue increase was attributed to four transactions closed during the first six months of 2004 in CBIZ's mergers and acquisition business. This increase was offset in part by lower revenues in CBIZ's health care consulting and valuation businesses. Gross margin for National Practices - Other for the six months ended June 30, 2004 was 11.0% as compared to a loss of 2.6% for the six months ended June 30, 2003. The improvement in gross margin is attributable to revenue associated with the mergers and acquisitions business, combined with improvements and operational efficiencies in the payroll, technology and valuation businesses.

Revenue

Total revenue for the six months ended June 30, 2004 was $274.8 million as compared to $268.6 million for the six months ended June 30, 2003, representing an increase of $6.2 million, or 2.3%. The increase in revenue attributable to acquisitions completed subsequent to June 30, 2003 was $5.2 million, and was offset by a decrease in revenue of $8.9 million due to divestitures completed subsequent to June 30, 2003. For business units with a full period of operations for the six months ended June 30, 2004 and 2003, revenue increased $9.9 million or 3.8%. A more comprehensive analysis of revenue by each operating practice group is discussed above.

Expenses

Operating expenses increased to $232.3 million for the six-month period ended June 30, 2004, from $226.3 million for the comparable period in 2003, an increase of $6.0 million or 2.7%. The primary components of operating expenses are personnel costs and occupancy expense, representing 81.1% and 81.9% of total operating expenses for the six months ended June 30, 2004 and 2003, respectively.

The increase in operating expenses supported growth in revenue, remaining relatively consistent as a percent of revenue at 84.2% and 84.0% (excluding consolidation and integration charges) for the six-month periods ended June 30, 2004 and 2003, respectively. The slight increase in operating expenses as a percent of revenue was a result of increases in professional fees and equipment costs, offset by efficiencies gained in personnel costs. Professional fees increased to 1.6% of total revenue for the six months ended June 30, 2004 from 1.1% for the comparable period in 2003, primarily driven by the acquisition of two Accounting, Tax and Advisory firms in the second and third quarters of 2003, which utilize external consultants to deliver services to clients. Equipment expenses as a percent of revenue increased to .9% from .7% for the six months ended June 30, 2004 and 2003, respectively, as the result of a shift from purchasing computer-related items to leasing such items. Leasing costs are reported as operating expenses, rather than capitalized and recorded as depreciation. Personnel costs were $170.6 million or 62.1% of total revenue for the six months ended June 30, 2004 and $168.1 million or 62.6% of total revenue for the six months ended June 30, 2003. Personnel costs decreased as a percent of revenue due to efficiencies gained through staff reductions in the ATA practice group. Staff reductions were somewhat offset by added personnel in wealth management to support revenue growth, and by annual merit increases in compensation that occurred in April 2004.

Consolidation and integration charges are reported as operating expenses in the accompanying consolidated financial statements, and increased as a percent or revenue to 0.4% from 0.2% for the six months ended June 30, 2004 and 2003, respectively. The increase in restructuring expenses occurred primarily as the result of an adjustment to our estimated noncancellable lease obligations in the second quarter of 2004.

Corporate general and administrative expenses increased to $11.4 million for the six-month period ended June 30, 2004, from $9.7 million for the comparable period in 2003. Corporate general and administrative expenses represented 4.2%, and 3.6% of total revenues for the six-month periods ended June 30, 2004 and 2003, respectively. The increase in corporate general and administrative expenses as a percent of revenues is primarily the result of legal fees, settlements (net of recoveries), and litigation reserves incurred to address several long-standing litigation issues.

Depreciation and amortization expense decreased to $8.1 million for the six-month period ended June 30, 2004, from $8.6 million for the comparable period in 2003, a decrease of $0.5 million, or 5.3%. The decrease is primarily attributable to the shift from purchasing computer-related items and furniture to leasing such items. These operating lease costs are recorded as operating expenses, rather than capitalized and recorded as depreciation, and total $1.2 million for the six months ended June 30, 2004 and $0.6 million for the six months ended June 30, 2003. As a percentage of total revenue, depreciation and amortization expense was 3.0% for the six-month period ended June 30, 2004, compared to 3.2% for the comparable period in 2003.

Interest expense increased to $0.7 million for the six-month period ended June 30, 2004, from $0.6 million for the comparable period in 2003, an increase of $0.1 million, or 7.9%. The increase is the result of higher average debt during the first half of 2004, of $33.6 million, compared to $15.0 million during the first half of 2003. Higher debt in the first half of 2004 is primarily due to share repurchase activity and is further described under "Liquidity and Capital Resources". The increase in interest expense due to higher average debt balances was offset by a decrease in average interest rates to 3.31% for the six months ended June 30, 2004 from 4.17% for the six months ended June 30, 2003. Additionally, interest expense for the first six months of 2003 included fees related to an interest rate swap that was terminated during the third quarter of 2003.

Gain on sale of operations, net was $0.9 million for the six months ended June 30, 2004, and was related to the sale of and operation and three client lists in the ATA practice group, and a client list in the B&I practice group. For the six months ended June 30, 2003, gain on sale of operations, net was $1.8 million and related primarily to the sale of Health Administrative Services (HAS) from the B&I practice group. A small business from the ATA practice group was also sold during the second quarter of 2003.

CBIZ reported other income of $0.8 million for the six-month period ended June 30, 2004, compared to other expense of $1.0 million for the comparable period in 2003, an increase $1.8 million. Other income (expense), net is comprised primarily of interest income earned on funds held for clients at CBIZ's payroll business, income earned on assets held in a rabbi trust related to the deferred compensation plan implemented in the first quarter of 2004, gains and losses on sale of assets, and miscellaneous income such as contingent royalties from previous divestitures. The change in other income for the six months ended June 30, 2004 from the six months ended June 30, 2003 is primarily related to $2.0 million of impairment charges to notes receivable during the six months ended June 30, 2003 that did not recur in 2004.

CBIZ recorded income taxes from continuing operations of $9.7 million for the six months ended June 30, 2004, compared to $10.2 million for the six months ended June 30, 2003. The effective tax rate decreased to 40.3% for the six month period ended June 30, 2004, from 42.3% for the comparable period in 2003. The effective tax rates for the six-months ended June 30, 2004 and 2003 are generally in line with the statutory federal and state tax rates.

RESULTS OF OPERATIONS - DISCONTINUED OPERATIONS

During the second quarter of 2004, CBIZ adopted a formal plan to divest of a firm in the National Practices practice group. This operation remains available for sale at June 30, 2004, and is classified as a discontinued operation in the accompanying financial statements. There were no plans to divest of operations adopted during the first quarter of 2004, and there were no operations available for sale at March 31, 2004.

During 2003, CBIZ adopted formal plans to divest of five non-core operations which were no longer part of CBIZ's strategic long-term growth objectives. These operations have been classified as discontinued operations in accordance with the adoption of Statement of Financial Accounting Standards (SFAS) 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," and the net assets, liabilities, and results of operations are reported separately in the consolidated financial statements. At December 31, 2003, all operations classified as discontinued operations had been sold or were in the process of being closed.

Revenue associated with discontinued operations for the three and six-month periods ended June 30, 2004 were $0.3 million and $0.6 million, and losses from operations, net of tax were $0.2 million and $0.3 million, respectively. Revenue associated with discontinued operations for the three and six-month periods ended June 30, 2003 were $2.3 million and $4.8 million, and losses from operations, net of tax were $0.2 million and $0.5 million, respectively.

FINANCIAL CONDITION

Total assets were $411.2 million, total liabilities were $157.9 million and shareholders equity was $253.3 million as of June 30, 2004. Current assets of $186.2 million exceeded current liabilities of $104.9 million by $81.3 million.

Cash and cash equivalents increased $0.5 million to $4.3 million for the quarter ended June 30, 2004. Restricted cash was $12.5 million at June 30, 2004, an increase of $1.7 million from December 31, 2003. Restricted cash represents those funds held in connection with CBIZ's NASD regulated operations and funds held in connection with the pass through of insurance premiums to the carrier. Cash and restricted cash fluctuate during the year based on the timing of cash receipts and related payments.

Accounts receivable, net were $118.5 million at June 30, 2004, an increase of $7.3 million from December 31, 2003. The increase in accounts receivable is attributed to the seasonal increase in revenue during the first four months of the year, primarily driven by tax services provided by the ATA practice group. Days sales outstanding (DSO), from continuing operations, which are calculated based on gross accounts receivable balance at the end of the period divided by daily revenue, decreased from 82 days at December 31, 2003 to 79 days at June 30, 2004. CBIZ provides DSO data because such data is commonly used as a performance measure by analysts and investors and as a measure of the Company's ability to collect on receivables in a timely manner.

Goodwill and other intangible assets, net of accumulated amortization, increased $4.1 million from December 31, 2003. Acquisitions, including contingent consideration earned, resulted in a $5.2 million increase in intangibles in the first and second quarters of 2004. In addition, intangibles decreased by $1.1 million as a result of divestitures completed during the six months ended June 30, 2004, and amortization expense for client lists and other intangibles.

Other current assets increased $2.1 million due to the timing of prepaid assets. CBIZ prepays insurance and software maintenance costs in the first quarter, and amortizes them over twelve months. Other assets (non-current) increased $2.6 million, primarily due to assets held in a rabbi trust in connection with the deferred compensation plan that was implemented during the first quarter of 2004. These assets are directly offset by liabilities which are recorded as other non-current liabilities in the accompanying consolidated financial statements.

As further described in note 1 to the accompanying consolidated financial statements, funds held for clients are directly offset by client fund obligations. Funds held for clients fluctuate during the year based on the timing of cash receipts and related payments.

The accounts payable balance of $28.6 million at June 30, 2004, reflects amounts due to suppliers and vendors; balances fluctuate during the year based on the timing of cash payments. Accrued expenses - current increased $1.3 million to $35.6 million at June 30, 2004, as the result of increases in unearned revenue (primarily retainers received at the beginning of the year and amortized throughout the year), contingent consideration earned in connection with various acquisitions, and capitalized furniture and equipment leases in connection with consolidation activities in Kansas; increases were offset by incentive compensation which was accrued at December 31, 2003 and paid in the first quarter of 2004. The increase in income taxes payable to $4.1 million at June 30, 2004, from income taxes recoverable of $0.4 million at December 31, 2003, is due to tax refunds received in fiscal 2003 that are not expected to recur in 2004. Client fund obligations of $36.2 million were directly related to funds held for clients in the same amount as reflected in current assets.

Bank debt for amounts due on CBIZ's credit facility increased by $32.8 million to $46.8 million at June 30, 2003 from December 31, 2003, driven primarily by stock repurchases made during the second quarter of 2004. Accrued expenses - non-current increased $4.3 million due to the deferred compensation plan as described above, and capitalized furniture and equipment leases in connection with consolidation activities in Kansas City.

LIQUIDITY AND CAPITAL RESOURCES

CBIZ's bank line of credit is a $73.0 million revolving credit facility with Bank of America as the agent bank. The credit facility carries an option to increase the total commitment to $80.0 million and allows for the allocation of funds for strategic initiatives, including acquisitions and the repurchase of CBIZ common stock. CBIZ expects to use the facility for working capital, internal growth initiatives, and its acquisition program. The facility has a three-year term with an expiration date of September 2005. CBIZ is currently in compliance with all covenants under its credit facility. Effective August 9, 2004, the Company modified its credit facility with the banks. See Note 12 to CBIZ's consolidated financial statements included herewith for additional information regarding the new credit facility.

At June 30, 2004, CBIZ had $46.8 million outstanding under its credit facility, leaving approximately $11.9 million of available funds under the facility based on the borrowing base calculation. Management believes that those available funds, along with cash generated from operations, will be sufficient to meet its liquidity needs in the foreseeable future, including the funding to repurchase up to 10.5 million shares of its outstanding common stock, approximately 8.0 million of which were purchased during the three months ended June 30, 2004, as authorized by its Board of Directors on March 3, 2004 and supplemented on May 27, 2004. See Notes 4 and 12 to CBIZ's consolidated financial statements included herewith for additional information regarding the credit facility.

SOURCES AND USES OF CASH

Cash provided by operating activities and funds available from CBIZ's credit facility provide the resources to support current operations, projected growth, acquisitions, capital expenditures, and share repurchases. Net cash provided by continuing operating activities was $10.7 million for the six months ended June 30, 2004, compared to $18.5 million for the same period in 2003. In comparison to 2003, the resulting decrease in cash provided by continuing operating activities during 2004 was primarily a result of the change in net working capital. CBIZ's principal source of net operating cash is derived from the collection of fees from professional services rendered to its clients and commissions earned in the areas of accounting, tax, valuation and advisory services, benefits consulting and administration services, insurance, human resources and payroll solutions, capital advisory, retirement and wealth management services and technology solutions.

Net cash used in investing activities during the six months ended June 30, 2004 of $3.3 million primarily consisted of $4.1 million used for capital expenditures and approximately $3.3 million used toward acquisitions and contingent consideration earned from previously acquired businesses; see Note 8 to CBIZ's consolidated financial statements included herewith for additional information regarding acquisitions. Cash provided by investing activities include $3.0 million of proceeds from the divestiture of a business unit and various client lists, and $1.1 million from the collections of notes receivables related primarily to divestitures. Capital expenditures consisted of leasehold improvements and equipment in connection with the consolidation of certain offices, IT capital to support the growth of the medical practice management unit and equipment purchases in relation to normal replacement. Net cash used in investing activities during the six months ended June 30, 2003 of $2.9 million primarily consisted of $5.1 million used for capital expenditures, and $1.9 million used toward acquisitions and contingent consideration earned from previously acquired businesses, and was offset by cash provided through divestitures of $3.8 million and $0.3 million from the collections of notes receivables related primarily to divestitures.

Net cash used in financing activities was $6.6 million during the six months ended June 30, 2004. During the same period in 2003, net cash used in investing activities was $18.4 million. Proceeds from bank debt and net cash provided by operating activities were the primary sources used to fund the repurchase of $39.8 million of CBIZ capital stock during 2004. During the six months ended June 30, 2003, cash provided by operating activities was the primary source of paying down the remaining $17.5 million of bank debt and effectively eliminating bank debt at June 30, 2003.

A summary of CBIZ's contractual obligations remaining as of June 30, 2004 is as follows (in thousands):

	TOTAL	FISCAL YEAR ENDING 2004	2005	2006	2007	2008	THEREAFTER
ON-BALANCE SHEET							
Bank debt(2)	$ 46,825	$ --	$ 46,825	$ --	$ --	$ --	$ --
Notes payable and capitalized leases	5,136	2,848	752	431	409	696	--
Non-cancelable operating lease obligations	186,368	15,936	27,673	23,710	20,110	18,296	80,643
Restructuring lease obligations(1)	9,994	1,664	2,235	2,094	2,019	1,311	671
OFF-BALANCE SHEET							
Letters of credit	2,771	2,127	314	--	--	--	330
Performance guarantees for non-consolidated affiliates	1,109	705	404	--	--	--	--
Total	$252,203	$ 23,280	$ 78,203	$ 26,235	$ 22,538	$ 20,303	$ 81,644

(1) Excludes cash payments for subleases.
(2) CBIZ modified its credit facility effective August 9, 2004. The new facility has a five year term and will expire in August 2009.

OFF-BALANCE SHEET ARRANGEMENTS

CBIZ maintains administrative service agreements with 12 CPA firms, as described more fully in our Annual Report on Form 10-K for the year ended December 31, 2003, which qualify as variable interest entities under FASB Interpretation No. 46 (FIN 46), "Consolidation of Variable Interest Entities," as amended. The impact to CBIZ of this accounting pronouncement is not material to the financial condition, results of operations or cash flows of CBIZ, and is further discussed in note 1 of the accompanying consolidated financial statements.

CBIZ provided guarantees of performance obligations for a CPA firm with which CBIZ maintains an administrative services agreement. Potential obligations under the guarantees totaled $1.1 million and $0.7 million at June 30, 2004 and December 31, 2003, respectively. CBIZ expects the guarantees to expire without the need to advance any cash. In accordance with FASB Interpretation No. 45 ("FIN 45"), "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others", CBIZ has recognized a liability for the fair value of the obligation undertaken in issuing these guarantees. The liability is recorded as other current liabilities in the accompanying consolidated financial statements.

Letters of credit are issued under our credit facility and are discussed in note 4 of the accompanying consolidated financial statements.

We have various agreements in which we may be obligated to indemnify the other party with respect to certain matters. Generally, these indemnification clauses are included in contracts arising in the normal course of business under which we customarily agree to hold the other party harmless against losses arising from a breach of representations, warranties, covenants or agreements, related to such matters as title to assets sold and certain tax matters. It is not possible to predict the maximum potential amount of future payments under these indemnification agreements due to the conditional nature of our obligations and the unique facts of each particular agreement. Historically, payments made by us under these agreements have not been material. As of June 30, 2004, we were not aware of any indemnification agreements that would require material payments.

INTEREST RATE RISK MANAGEMENT

The Company has used interest rate swaps to manage the interest rate mix of its credit facility and related overall cost of borrowing. Interest rate swaps involve the exchange of floating for fixed rate interest payments to effectively convert floating rate debt into fixed rate debt based on a one, three, or six-month U.S. dollar LIBOR. Interest rate swaps allow the Company to maintain a target range of fixed to floating rate debt. During the six months ending June 30, 2004, management did not utilize interest rate swaps. Management will continue to evaluate the potential use of interest rate swaps as it deems appropriate under certain operating and market conditions.

CRITICAL ACCOUNTING POLICIES

The policies discussed below are considered by management to be critical to the understanding of CBIZ's consolidated financial statements because their application places significant demand on management's judgment, and financial reporting results rely on estimation about the effects of matters that are inherently uncertain. Specific risks for these critical accounting policies are described in the following paragraphs. For all of these policies, management cautions that estimates may require adjustment if future events develop differently than forecasted.

REVENUE RECOGNITION AND VALUATION OF UNBILLED REVENUES

Revenue is recognized only when all of the following are present: persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, our fee to the client is fixed or determinable, and collectibility is reasonably assured, which is in accordance with GAAP and SAB 104. CBIZ offers a vast array of products and outsourced business services to its clients. Those services are delivered through three practice groups. A description of revenue recognition, as it relates to those groups, is provided below:

ACCOUNTING, TAX AND ADVISORY SERVICES -- Revenue consists primarily of fees for accounting services, preparation of tax returns and consulting services including Sarbanes-Oxley consulting and compliance projects. Revenues are recorded in the period in which services are provided and meet revenue recognition criteria in accordance with SAB 104. CBIZ bills clients based upon a predetermined agreed-upon fixed fee or actual hours incurred on client projects at expected net realizable rates per hour, plus any out-of-pocket expenses. The cumulative impact on any subsequent revision in the estimated realizable value of unbilled fees for a particular client project is reflected in the period in which the change becomes known.

BENEFITS & INSURANCE -- Revenue consists primarily of brokerage and agency commissions, and fee income for administering health and retirement plans. A description of the revenue recognition, based on the insurance product and billing arrangement, is described below:

- Commissions relating to brokerage and agency activities whereby CBIZ has primary responsibility for the collection of premiums from insured's (agency or indirect billing) are recognized as of the latter of the effective date of the insurance policy or the date billed to the customer; commissions to be received directly from insurance companies (direct billing) are recognized when the policy becomes effective; and life insurance commissions are recognized when the policy becomes effective. Commission revenue is reported net of sub-broker commissions. Commission revenue is reported net of reserves for estimated policy cancellations and terminations. This reserve is based upon estimates and assumptions using historical cancellation and termination experience and other current factors to project future experience. CBIZ periodically reviews the adequacy of the reserve and makes adjustments as necessary. The use of different estimates or assumptions could produce different results.

- Contingent commissions are recognized at the earlier of notification that the contingency has been satisfied or cash collection.

- Fee income is recognized in the period in which services are provided, and may be based on actual hours incurred on an hourly fee basis, fixed fee arrangements, or asset-based fees.

NATIONAL PRACTICES -- The business units that comprise this practice group offer a variety of services. A description of revenue recognition associated with the primary services is provided below:

- Mergers & Acquisitions and Capital Advisory -- Revenue associated with non-refundable retainers is recognized on a pro rata basis over the life of the engagement. Revenue associated with success fee transactions is recognized when the transaction is completed.

- Technology Consulting -- Revenue associated with hardware and software sales is recognized upon delivery and acceptance of the product. Revenue associated with installation and service agreements is recognized as services are performed. Consulting revenue is recognized on an hourly or per diem fee basis as services are performed.

- Valuation and Property Tax -- Revenue associated with retainer contracts is recognized on a pro rata basis over the life of the contract, which is generally twelve months. Revenue associated with contingency arrangements is recognized once written notification is received from an outside third party (e.g., assessor in the case of a property tax engagement) acknowledging that the contingency has been resolved.

- Medical Management Group -- Fees for services are primarily based on a percentage of net collections on our clients' patient accounts receivable. As such, revenue is determinable, earned, and recognized, when payments are received on our clients' patient accounts.

VALUATION OF ACCOUNTS RECEIVABLE AND NOTES RECEIVABLE

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Specifically, management must make estimates of the collectibility of our accounts receivable, including unbilled accounts receivable, related to current period service revenue. Management analyzes historical bad debts, client credit-worthiness, and current economic trends and conditions when evaluating the adequacy of the allowance for doubtful accounts and the collectibility of notes receivable. Significant management judgments and estimates must be made and used in connection with establishing the allowance for doubtful accounts in any accounting period. Material differences may result if management made different judgments or utilized different estimates.

VALUATION OF GOODWILL AND OTHER INTANGIBLE ASSETS

CBIZ utilizes the purchase method of accounting for all business combinations in accordance with Statement of Financial Accounting Standard No., 141, "Business Combinations" (SFAS 141). Intangible assets, which include client lists and non-compete agreements, are amortized principally by the straight-line method over their expected period of benefit, not to exceed ten years.

In accordance with the provisions of SFAS 142, goodwill is not amortized. Goodwill is tested for impairment annually during the fourth quarter of each year, and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. There was no goodwill impairment during the three or six months ended June 30, 2004 or 2003.

LOSS CONTINGENCIES

Loss contingencies, including litigation claims, are recorded as liabilities when it is probable that a liability has been incurred and the amount of the loss is reasonably estimable. Contingent liabilities are often resolved over long time periods. Estimating probable losses requires analysis that often depends on judgment about potential actions by third parties.

ESTIMATES OF INCENTIVE COMPENSATION COSTS AND EFFECTIVE INCOME TAX RATES

Incentive compensation costs and income tax expense are two significant expense categories that are highly dependent upon management estimates and judgments, particularly at each interim reporting date. In arriving at the amount of expense to recognize, management believes it makes reasonable estimates and judgments using all significant information available. Incentive compensation costs are accrued on a monthly basis, and the ultimate determination is made after our year-end results are finalized; thus, estimates are subject to change. Circumstances that could cause our estimates of effective income tax rates to change include the impact of information that subsequently became available as we prepared our corporate income tax returns; the level of actual pre-tax income; revisions to tax positions taken as a result of further analysis and consultation, and changes mandated as a result of audits by taxing authorities.

OTHER SIGNIFICANT POLICIES

Other significant accounting policies not involving the same level of measurement uncertainties as those discussed above are nevertheless important to understanding the consolidated financial statements. Those policies are described in Note 1 to the consolidated financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2003.

NEW ACCOUNTING PRONOUNCEMENTS

In March 2004, the FASB issued EITF Issue No. 03-1, "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments". EITF 03-1 includes new guidance for evaluating and recording impairment losses on debt and equity investments, as well as new disclosure requirements for investments that are deemed to be temporarily impaired. The impairment evaluation and recognition guidance of EITF 03-1 is to be applied prospectively and is effective for reporting periods beginning after June 15, 2004; the additional disclosure requirements are effective for annual periods ending after June 15, 2004. Although the Company will continue to evaluate the application of EITF 03-1, management does not currently believe adoption will have a material impact on its results of operations or financial position.

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical fact included in this Quarterly Report on Form 10-Q, including without limitation, "Management's Discussion and Analysis of Financial Condition and Results of Operations" regarding CBIZ's financial position, business strategy and plans and objectives for future performance are forward-looking statements. Forward-looking statements are commonly identified by the use of such terms and phrases as "intends," "believes," "estimates," "expects," "projects," "anticipates," "foreseeable future," "seeks," and words or phases of similar import. Such statements are subject to certain risks, uncertainties or assumptions. Should one or more of these risks or assumptions materialize, or should the underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. Such risks and uncertainties include, but are not limited to, CBIZ's ability to adequately manage its growth; CBIZ's dependence on the services of its CEO and other key employees; competitive pricing pressures; general business and economic conditions; and changes in governmental regulation and tax laws affecting its operations. Consequently, no forward-looking statement can be guaranteed. A more detailed description of risks and uncertainties may be found in CBIZ's Annual Report on Form 10-K for the year ended December 31, 2003. CBIZ undertakes no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise. This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Quantitative Disclosures About Market Risk. CBIZ's floating rate debt under its credit facility exposes the Company to interest rate risk. A change in the Federal Funds Rate, or the Reference Rate set by the Bank of America (San Francisco), would affect the rate at which CBIZ could borrow funds under its credit facility. If market interest rates were to increase or decrease immediately and uniformly by 100 basis points from the levels at June 30, 2004, interest expense would increase or decrease by approximately $0.5 million annually.

CBIZ does not engage in trading market risk sensitive instruments. The Company has used interest rate swaps to manage the interest rate mix of its credit facility and related overall cost of borrowing. Interest rate swaps involve the exchange of floating for fixed rate interest payments to effectively convert floating rate debt into fixed rate debt based on a one, three, or six-month U.S. dollar LIBOR. Interest rate swaps allow the Company to maintain a target range of fixed to floating rate debt. Management will continue to evaluate the potential use of interest rate swaps as it deems appropriate under certain operating and market conditions.

Qualitative Disclosures About Market Risk. CBIZ's primary market risk exposure is that of interest rate risk. A change in the Federal Funds Rate, or the reference rate set by the Bank of America (San Francisco), would affect the rate at which CBIZ could borrow funds under its credit facility. See "Quantitative Disclosures about Market Risk" for a further discussion on the potential impact of a change in interest rates.

ITEM 4. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

We evaluated the effectiveness of our disclosure controls and procedures ("Disclosure Controls") as of the end of the period covered by this report. This evaluation ("Controls Evaluation") was done with the participation of our Chairman and Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

Disclosure Controls are controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 ("Exchange Act") is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure Controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file under the Exchange Act is accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

LIMITATIONS ON THE EFFECTIVENESS OF CONTROLS

Our management, including our CEO and CFO, does not expect that our Disclosure Controls or our internal controls over financial reporting ("Internal Controls") will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, but not absolute, assurance that the objectives of a control system are met. Further, any control system reflects limitations on resources, and the benefits of a control system must be considered relative to its costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within CBIZ have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of a control. A design of a control system is also based upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected.

The Company experienced operational challenges due to rapid growth in one of its national insurance units. Accordingly, additional resources are being deployed to improve controls at this unit. A more detailed description is provided under "Management's Discussion and Analysis of Financial Condition and Results of Operations," under Item 2 or this Form 10-Q.

CONCLUSIONS

Based upon the Controls Evaluation, our CEO and CFO have concluded that, subject to the limitations noted above, the Disclosure Controls are effective in providing reasonable assurance that material information relating to CBIZ is made known to management on a timely basis during the period when our periodic reports are being prepared.

Other than disclosed above, there were no changes in our Internal Controls that occurred during the quarter covered by this report that have materially affected, or are reasonably likely to materially affect, our Internal Controls.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Since September 1999, seven purported stockholder class-action lawsuits filed against CBIZ and certain of our current and former directors and officers were consolidated as In Re Century Business Services Securities Litigation, Case No. 1:99CV2200, in the United States District Court for the Northern District of Ohio. The plaintiffs alleged that the named defendants violated certain provisions of the Securities Exchange Act of 1934 and certain rules promulgated thereunder in connection with certain statements made during various periods from February, 1998, through January, 2000, by, among other things, improperly amortizing goodwill and failing to adequately monitor changes in operating results. The United States District Court dismissed the matter with prejudice on June 27, 2002. The matter was appealed by the plaintiffs to the Sixth Circuit Court of Appeals. On March 30, 2004, the Court of Appeals affirmed the dismissal of the plaintiffs' complaint in its entirety. The Court also upheld the lower court's denial of the plaintiffs' request for leave to amend their complaint. CBIZ expects that this opinion and order will end proceedings in this case, although further appeal technically is permissible.

The Company is a defendant in the case In Re Heritage Bond Litigation, 02-ML-1475 DT (RCx), pending in the Central District of California, as well as a related unconsolidated matter in which plaintiffs allege numerous claims, including mismanagement and misappropriation of funds from a bond financing, against unrelated parties, The Heritage Group and its trustee, U.S. Trust. As part of this case, the plaintiffs brought an action against two CBIZ subsidiaries (CBIZ Valuation Group, Inc. and CBIZ Accounting, Tax & Advisory, Inc.) alleging negligence and negligent misrepresentation in connection with the provision of valuation and feasibility study services to The Heritage Group. These claims have been pending since 2001 and relate to services performed from 1996 through 2000.

On April 22, 2004, the Magistrate Judge handling discovery issues in the case entered an order treating CBIZ Valuation as if it had admitted certain facts as a result of the failure by the Company's former outside counsel handling the case to timely file a discovery response. This law firm did not inform the Company or its subsidiary that it had missed the discovery response filing deadline or that the April 22nd order had been entered against the Company's subsidiary.

The Company retained Irell & Manella LLP to represent its subsidiaries in connection with this case going forward. On June 28, 2004, following a hearing before U.S. District Court Judge Dickran Tevrizian, the Court granted the motion of CBIZ Valuation to reconsider and set aside the Magistrate Judge's earlier order. The admissions have been withdrawn and CBIZ Valuation has filed a proper response to the requests for admissions. Although the Company cannot predict the outcome of this case, the Company continues to believe that it has a strong defense to the claims against its subsidiaries.

The Company has received from the plaintiffs offers and demands to settle these suits for approximately $13.0 million. Discovery in these matters currently is set to continue through August 2004. Although the ultimate disposition of this proceeding is not presently determinable, management continues to believe that the ultimate resolution of this matter will not have a material adverse effect on the financial condition, results of operations or cash flows of CBIZ.

In addition to those items disclosed above, CBIZ is from time to time subject to claims and suits arising in the ordinary course of business. Although the ultimate disposition of such proceedings is not presently determinable, management does not believe that the ultimate resolution of these matters will have a material adverse effect on the financial condition, results of operations or cash flows of CBIZ.

ITEM 2. CHANGES IN SECURITIES, USE OF PROCEEDS AND ISSUER PURCHASES OF EQUITY SECURITIES

On March 3, 2004, the Board of Directors authorized a share repurchase of up to 8.5 million shares of CBIZ common stock. A supplement to the plan was approved by the Board of Directors on May 27, 2004, authorizing CBIZ to purchase an additional 2.0 million shares of CBIZ common stock, for a total of 10.5 million shares. These plans expire December 31, 2004, and CBIZ does not intend to terminate any plan prior to its expiration.

ISSUER PURCHASES OF EQUITY SECURITIES

PERIOD	TOTAL NUMBER OF SHARES PURCHASED	AVERAGE PRICE PAID PER SHARE(1)	TOTAL NUMBER OF SHARES PURCHASED AS PART OF PUBLICLY ANNOUNCED PLAN	MAXIMUM NUMBER OF SHARES THAT MAY YET BE PURCHASED UNDER THE PLAN
April 1 - April 30, 2004(2)(3)	7,500,000	$5.04	7,500,000	1,000,000
May 1 - May 31, 2004(4)	396,500	$4.21	396,500	2,603,500
June 1 - June 30, 2004(4)	67,266	$4.30	67,266	2,536,234
Total	7,963,766	$4.99	7,963,766	

(1) Average price paid per share includes fees and commissions.

(2) Shares were repurchased at a price of $5.00 per share under a tender offer that was concluded on April 1, 2004.

(3) Excludes 30,000 shares that were returned to treasury stock as proceeds from the sale of a divested business.

(4) Open market repurchases.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Listed below are the results of matters that were submitted to vote at the Annual Meeting of Stockholders held on May 27, 2004:

1) Election of the following individuals to the Board of Directors to serve until the 2007 Annual Meeting of Stockholders:

	Authority Granted	Authority Withheld
Rick L. Burdick	50,716,004	10,439,320
Steven L. Gerard	59,858,028	1,297,296

2) Ratification of the appointment of KPMG LLP as independent accountants for fiscal year 2004:

Shares For	Shares Against	Abstained
60,475,382	642,755	37,187

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

31.1 Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K

The following Current Reports on Form 8-K were filed during the three months ended June 30, 2004:

On May 3, 2004, CBIZ furnished a current report on Form 8-K to provide investors with its financial results for the first quarter ended March 31, 2004, as released to the public and discussed on a conference call on April 27, 2004.

On May 24, 2004, CBIZ filed a current report on Form 8-K to provide investors with information regarding the status of a legal case in which CBIZ is the defendant.

On June 1, 2004, CBIZ filed a current report on Form 8-K to inform investors that CBIZ's Board of Directors authorized a stock repurchase of up to 2,000,000 shares, which supplements the Company's repurchase plan previously announced on March 4, 2004. Under the repurchase plan, the Company seeks to buy 10,500,000 shares of its common stock during 2004.

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 thereunto duly authorized.

Century Business Services, Inc.
(Registrant)

Date: August 9, 2004

By: /s/ WARE H. GROVE

Ware H. Grove
Chief Financial Officer

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
OF CENTURY BUSINESS SERVICES, INC.

I, Steven L. Gerard, Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Century Business Services, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13(a)-15(e) and 15(d)-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2004

/s/ Steven L. Gerard

Steven L. Gerard
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
OF CENTURY BUSINESS SERVICES, INC.

I, Ware H. Grove, Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Century Business Services, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13(a)-15(e) and 15(d)-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2004

/s/ Ware H. Grove

Ware H. Grove
Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
OF CENTURY BUSINESS SERVICES, INC.

This certification is provided pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and accompanies the quarterly report on Form 10-Q for the quarter ended June 30, 2004 (the "Form 10-Q") of Century Business Services, Inc. (the "Issuer").

I, Steven L. Gerard, the Chief Executive Officer of the Issuer, certify that to the best of my knowledge:

(i) the Form 10-Q fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

(ii) the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Issuer.

Date: August 9, 2004

/s/ Steven L. Gerard

Steven L. Gerard
Chief Executive Officer

Subscribed and sworn to before me This 9th day of August, 2004.

/s/ Michael W. Gleespen
- -----------------------------------
Name: Michael W. Gleespen
Title: Notary Public & Attorney-At-Law
Registered in Franklin County, Ohio
No Expiration Date

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
OF CENTURY BUSINESS SERVICES, INC.

This certification is provided pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and accompanies the quarterly report on Form 10-Q for the quarter ended June 30, 2004 (the "Form 10-Q") of Century Business Services, Inc. (the "Issuer").

I, Ware H. Grove, the Chief Financial Officer of the Issuer, certify that to the best of my knowledge:

(i) the Form 10-Q fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

(ii) the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Issuer.

Date: August 9, 2004

/s/ Ware H. Grove

Ware H. Grove
Chief Financial Officer

Subscribed and sworn to before me this 9th day of August, 2004.

/s/ Michael W. Gleespen
- ------------------------------------
Name: Michael W. Gleespen
Title: Notary Public & Attorney-At-Law
Registered in Franklin County, Ohio
No Expiration Date